

# State OF THE North REPORT

Building a  
**Stronger North**



**NORTHERN**  
DEVELOPMENT

**MNP**



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# A Northern Perspective

It is that time of year again – and what a year it has been.

The 2020 State of the North Economic Report captures the most recent data available on Northern B.C.'s economy. It is the only report of its kind that captures regional and sub-regional data on communities, industries and trends that are critical to Northern B.C. and presents it all in one package.

In this fourth installment of the report we've asked our partners at MNP to continue to track the same data points our clients have told us are most important to them – so you'll find everything from regional breakdowns to housing and industry-specific data.

The advent of COVID-19 sent our regional economy, like all others, into a tailspin. It greatly impacted retail and service sector businesses across the region, but also our major industrial employers, their first-line suppliers and, critically, our supply chain. This has had a profound impact on British Columbia, the extent of which we are not likely to fully comprehend for years to come.

Thanks to B.C.'s quick response during the initial wave and the region's economic focus on goods manufacturing, Northern B.C. has been relatively less impacted by the virus. For once, our reliance on industry, our relatively sparse population and distance between our communities has served us well.

Additionally, it is not inaccurate to say that current major energy projects in the region – Coastal Gaslink, LNG Canada, Site C and TMX – saved our economic bacon, as it were. Collectively, at a time when many of our hotels, restaurants and service sector businesses have been tremendously impacted, the construction crews working for these major projects have generated significant local spend in many communities that have helped, in part, to offset the impacts of the virus.

The shift in consumer behaviour during the pandemic also helped to drive lumber prices to record highs in 2020 as people throughout North America pursued home renovation projects. This activity helped buoy the region's forestry sector, which came at a welcome time as the industry continues to consolidate in the wake of the Mountain Pine Beetle epidemic, reduced fibre and rising costs.

Yet despite these limited silver linings, the pandemic very much remains a threat to the region's economy for the foreseeable future. At the time of this writing there is some good news on the horizon that a vaccine may be imminent, but it remains to be seen what its rollout will look like or how our labour force will change in the coming months and years, to say nothing about global factors such as political shifts and trade wars that tend to greatly impact the commodity-driven industries we rely on. It is safe to say Northern B.C. will continue to face economic challenges for some time.

On top of that, many of the underlying issues that we have pointed out in previous reports have yet to be dealt with in a meaningful way. It is not guaranteed that many of the communities northerners call home will continue to be economically thriving areas with healthy, well-educated populations and new opportunities. Like rural areas throughout North America, our communities continue to be impacted by post-industrial market shifts, resulting in industry consolidation, the centralization of services and a lack of access to adequate and stable housing, healthcare and education.

Yet our region remains well-placed to assist with B.C.'s COVID-19 recovery. Our wealth of natural resources, infrastructure and supply chain all present opportunities for enormous investment that would generate real provincial GDP growth, new jobs, both temporary and permanent, and significantly increased spending that would help with small business recovery.

But this can only happen if we respect the land and conduct ourselves in an environmentally responsible manner, are inclusive of our Indigenous communities and their desire for self-government and focus on real goals that extend beyond GDP and jobs – viewing these opportunities through a lens of wellness that will ultimately support better healthcare, education and social outcomes for the people who call this place home. In short, we must take a more sophisticated approach to northern development than we have in the past, choosing to spend our time, energy and resources on

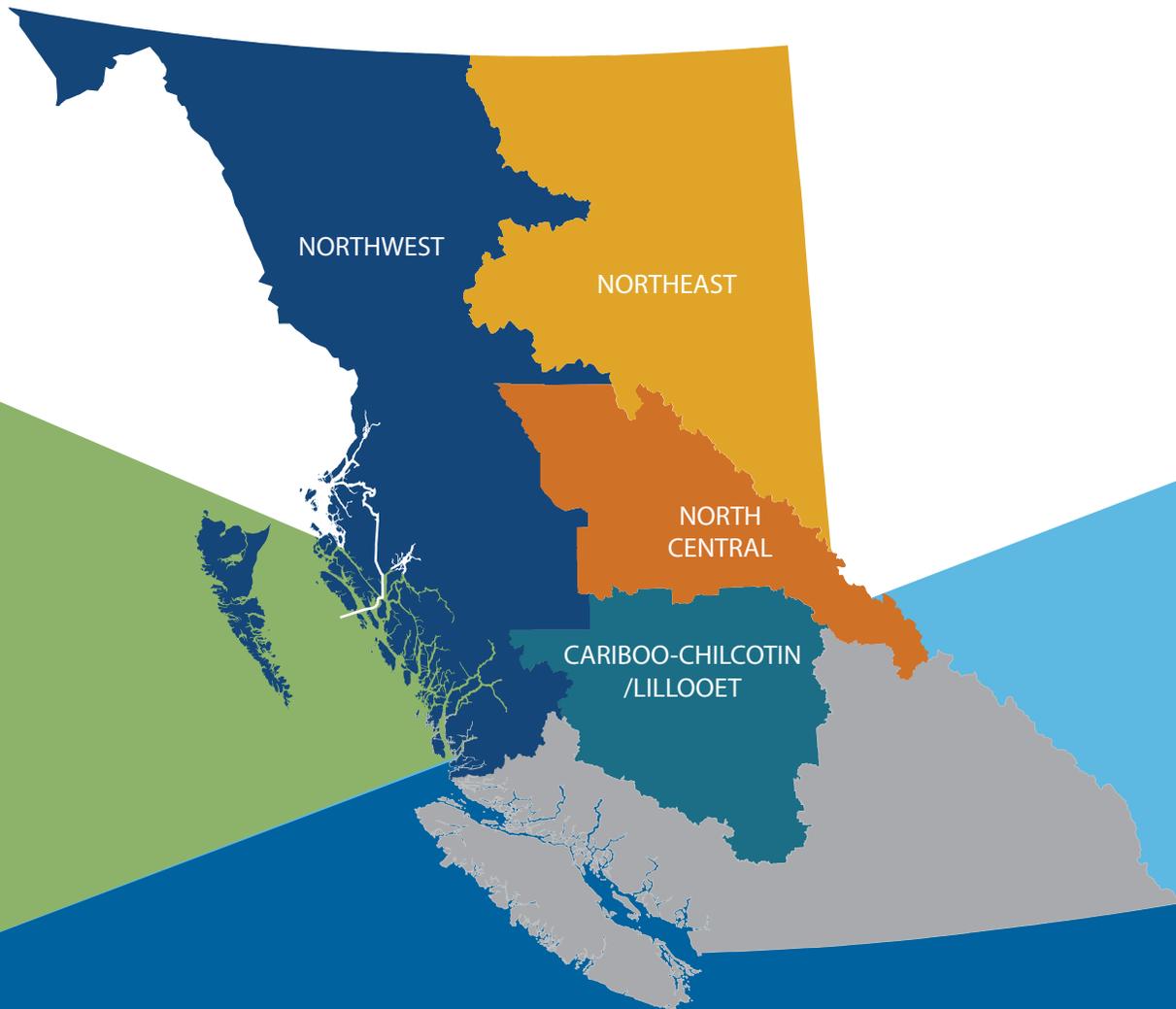
only those opportunities that create better outcomes for the people that call this place home over the long term.

The State of the North Economic Report is designed to be a basket full of useful economic data that can inform policy, investment decisions, programming and economic development plans. We hope that it provides tremendous value for you and leads to more informed decision-making that helps us all build a stronger north.

**Joel McKay**

Chief Executive Officer  
Northern Development Initiative Trust

# Where We Are



Northern Development Initiative Trust is an independent, non-profit corporation; a catalyst stimulating economic growth through investments in grassroots, community-led projects. The Trust was created on the premise that “the best economic development decisions for the North should be made in the North.”

The Trust serves more than 70 per cent of the province, from Lytton to Fort Nelson and from

Valemount to Haida Gwaii, including 39 incorporated communities, nine regional districts, one regional municipality and 88 First Nations communities.

The central and northern region of B.C. that Northern Development covers is broken into four service areas: the Northwest, Northeast, North Central and Cariboo-Chilcotin/Lillooet regions.

# The Big Question

## Where is Northern B.C.? or Why this Report Isn't Perfect

There was no simple place to begin in creating this report. As noted elsewhere, the question as to 'where' Northern B.C. begins is a constant debate. For the purposes of this report, and the Trust's ability to use its data to inform policy and programs, Northern B.C. is defined as the Trust's legislative service area, which stretches from Lytton to the Yukon Border and Valemount to Haida Gwaii, or roughly 75 per cent of the geographic area of B.C.

The geography made it difficult to find readily available data that could be measured year-over-year and compared from region to region or community to community. For example, the Trust's service regions differ from the Province of British Columbia's economic zones, and so in some cases economic zone data had to be split up to match the Trust's service regions. As well, a lot of the statistics available in urban centres and census metropolitan areas are simply not available in Northern B.C. due to the size of our communities and sparse population. That often means the data we really wanted simply wasn't available on a sub-regional level. As well, the statistics aren't stored in one place – readers will note that the data used to inform this report comes from many different sources that report data at different intervals and different times, which means some data is several months old, or older, at the time of this report's publication.

What does this mean? In short, the report isn't perfect. Certainly, it's designed to provide a snapshot of the regional economy as it stands today and it has done that very well. Yet one of our learnings through this exercise is that there is a dearth of meaningful, readily available data about our regional economy. More resources and innovative new approaches to data gathering are needed in our region if we want to have a deeper understanding of our regional economy and, perhaps eventually, forecast its future.

# 1. Limitations

This report is provided for information purposes and is intended for general guidance only. It should not be regarded as comprehensive or as a substitute for personalized, professional advice.

We have relied upon the completeness, accuracy and fair presentation of all information and data obtained from Northern Development Initiative Trust and public sources, believed to be reliable. The accuracy and reliability of the findings and opinions expressed in the presentation are conditional upon the completeness, accuracy and fair presentation of the information underlying them. As a result, we caution readers not to rely upon any findings or opinions expressed for business or investment decisions and disclaim any liability to any party who relies upon them as such. Before taking any particular course of action, readers should contact their own professional advisor to discuss matters in the context of their particular situation.

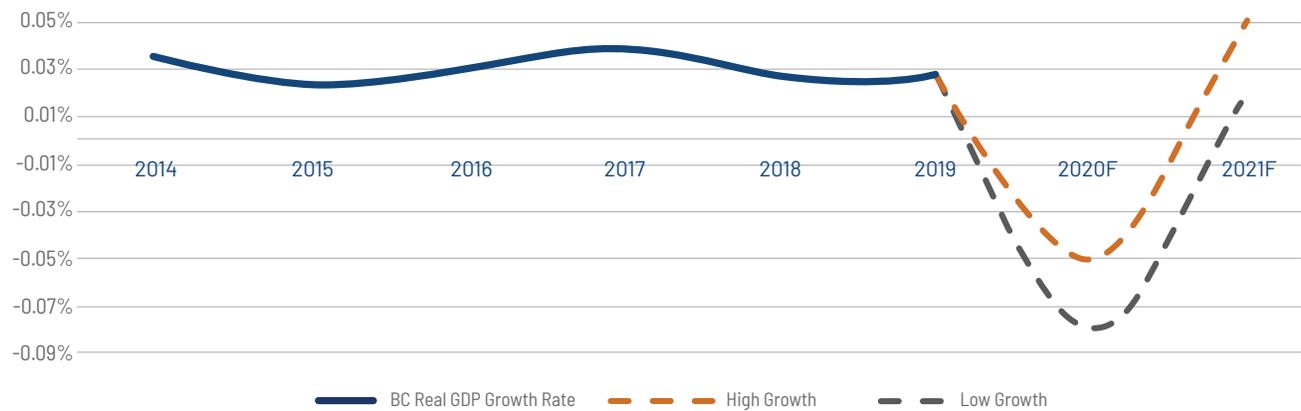
# The Big Picture



## 2. Macroeconomic Indicators

### GDP

#### B.C. Real GDP Growth Rate



Source: Statistics Canada. Table 36-10-0402-01 GDP at basic prices, by industry, provinces and territories; Central 1 (September 2020); Province of B.C. First Quarterly Report 2020-2021 (September 2020)

The Canadian economy slowed in 2019 as overall GDP growth fell to 1.7 per cent from two per cent in 2018.<sup>1</sup> The slowdown reflected global trade conflicts as well as challenges in the Canadian oil and gas sector and reduced export activity, particularly in the manufacturing sector.

B.C.'s economy remained among the strongest in Canada in 2019, due in part to investment in major infrastructure projects in Northern B.C. However, 2019 was a challenging year for many communities in Northern B.C. as the forestry sector struggled with poor market conditions, timber supply issues and the ongoing U.S. softwood lumber tariffs. This led to shutdowns and curtailments at mills as well as widespread layoffs.

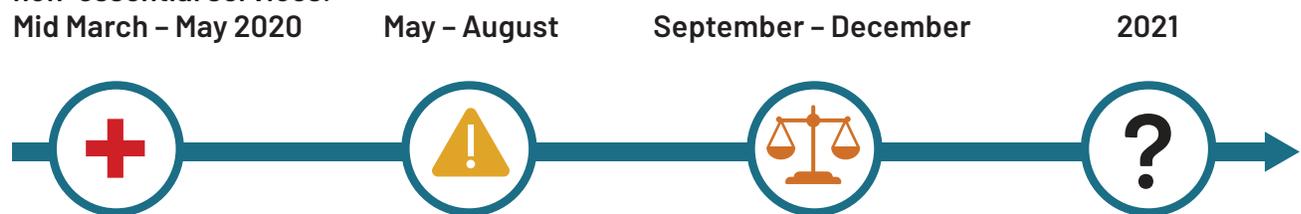
At the beginning of 2020, B.C.'s GDP was expected to grow by approximately two per cent annually, outpacing most other provinces in Canada.<sup>2</sup> Northern B.C.'s economy was relatively stable as layoffs in the forestry had largely come to an end, while employment was increasing at the major project sites like LNG Canada and Site C Dam.

1 Statistics Canada. Table: 36-10-0129-01

2 BC Business Council. BC Economic Review and Outlook. February 2020

In March 2020 as the global COVID-19 pandemic spread to B.C., the provincial government declared a public health emergency and implemented a number of measures to contain the spread of the virus. Restrictions remained in place until May 18 when B.C. entered Phase 2 of its restart plan.<sup>3</sup> As part of Phase 2, businesses were permitted to re-open with enhanced safety protocols. Restrictions on gatherings and movements in the province continued and the border remained closed. Beginning June 24, B.C. entered Phase 3 where movement within the province was no longer discouraged. Physical distancing requirements and restrictions on gathering sizes remained in place and as of November, the border remained closed to all non-essential travel.

**Shutdown of all non-essential services.**  
**Mid March – May 2020**



- Border Closed to all non-essential travel. ➔
- Physical distancing requirements. ➔
- Movement within provinces. ➔
- Limits on the size of gatherings. ➔

At the onset of the restrictions, most sectors of the economy were affected and significant declines in employment levels occurred from March to June. As the economy re-opened, employment levels rebounded sharply and by Q3, employment in manufacturing, resource sectors, professional services, and health and social services had recovered to close to pre-pandemic levels. Retail sales also showed signs of recovery while travel restrictions and physical distancing requirements continued to severely impact the restaurant, accommodation, entertainment, and recreation sectors.

As of September 2020, B.C.'s GDP was projected to decline by between five per cent and eight per cent overall. However, beginning in October case counts began to increase as the second wave of COVID-19 took hold. By November, daily case counts, hospitalizations and mortality rates were higher than the initial wave in March and April. As a result, increased restrictions on social gatherings were implemented across the province, non-essential travel was discouraged and high-risk indoor activities such as spin classes, hot yoga and high intensity interval training were suspended.<sup>4</sup> Businesses were permitted to continue to operate as long as a COVID safety plan and associated protocols were in place. The increased restrictions are expected to stall the economic recovery, with sectors such as recreation, hospitality and accommodation losing some ground.

<sup>3</sup> BC's Response to COVID (Available here: <https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/covid-19-provincial-support>)

<sup>4</sup> BC Government. Province-wide Restrictions. Available here: <https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/covid-19-provincial-support/restrictions#pho-order> (Accessed November 22, 2020)

Over the long term the recovery process is expected to be gradual and uneven, with sectors such as tourism and recreation continuing to be severely impacted as physical distancing requirements, restrictions on gatherings, and border closures remain in place. Another key factor will be migration patterns and how those change in response to COVID-19. In the Lower Mainland, international immigration has been a significant source of growth, while in Northern B.C. it has been less of a factor. Border closures and delays in processing visa applications are expected to lead to significant declines in international immigration while there are some indications that within B.C., people are relocating from the Lower Mainland to less densely populated areas.

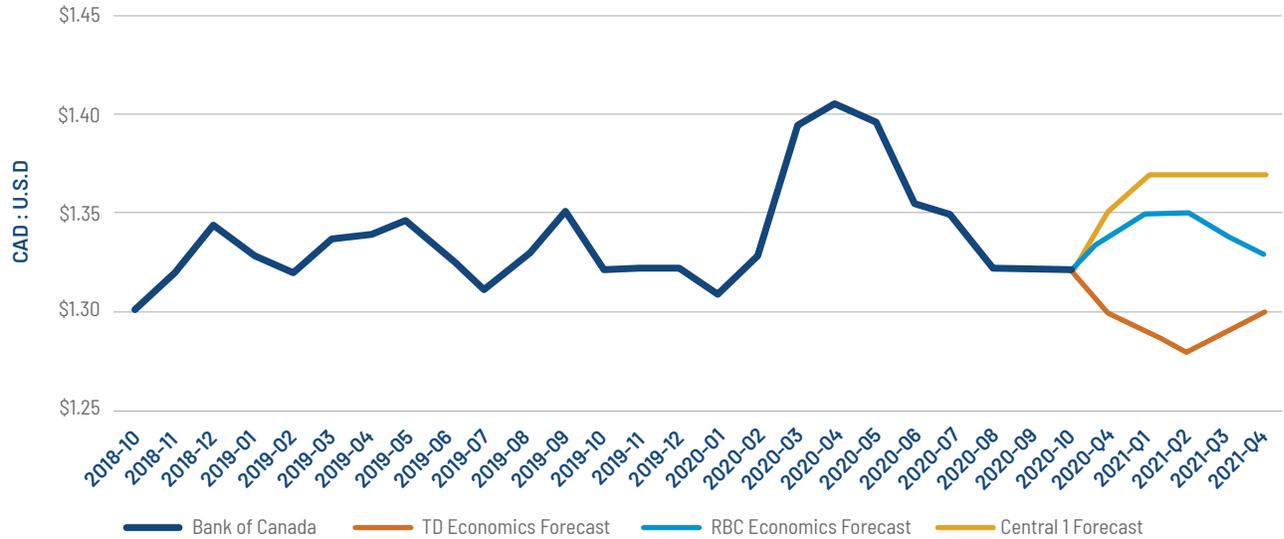
### Short Term Outlook

In Northern B.C., the impact of COVID-19 has been more moderate than in other areas of the province as the region's economy is less reliant on the tourism, restaurant, hotel and recreation sectors. As of October 2020, employment levels were down three per cent year-over-year, compared with five per cent in B.C. as a whole and six per cent in the Lower Mainland.

At the onset of the pandemic, mills and mines were temporarily shut and workforces were significantly reduced at major projects in the region. As the phased restart began, economic activity picked up in Northern B.C., where mines and mills re-opened and major projects re-hired their workforces. Record high lumber and gold prices have supported the mining and forestry sectors throughout the second half of 2020, while housing prices were up year-over-year in most communities.

LNG Canada, Coastal GasLink and Site C construction are expected to continue to support economic recovery in the Northwest and Northeast regions, while in the North Central region, continued growth in the healthcare and construction sectors should help to offset declines in the hospitality sector. The economic health of many smaller communities across the region will continue to depend on commodity prices, for which the outlook remains uncertain due to indeterminate long-term effects of the COVID-19 pandemic on trade.

## Exchange Rates



Source: Bank of Canada, TD Economics, RBC Economics

The Canadian dollar remained stable relative to the U.S. dollar through 2019 but declined in value in March 2020 as there was a flight-to-safety to the U.S. dollar among investors. As the economy began to re-open and financial markets settled, the Canadian dollar regained value and in October it was trading in the same range as the beginning of the year. There remains a great deal of uncertainty around the outlook for the Canadian dollar, as analysts estimates for 2021 are divided. The severity of the second wave of COVID-19 could result in another flight-to-safety, and a lower Canadian dollar.

In Northern B.C., a favourable exchange rate will support the mining, forestry, and oil and gas sectors moving forward.

## Unemployment Rate

\*Please note estimates for the Cariboo-Chilcotin/Lillooet region do not include Lillooet, Lytton, Logan Lake, Cache Creek, Clinton or Ashcroft.

### Unemployment Rate by Region

Region	2019	2020 (Jan-Mar)	2020 (Apr-Jun)	2020 (July-Sep)
Northeast	6.3%	4.2%	10.7%	7.0%
Kootenay	5.3%	6.2%	16.1%	8.9%
Thompson-Okanagan	4.9%	7.2%	10.3%	9.0%
Northwest	4.3%	6.2%	14.5%	9.0%
Cariboo-Chilcotin-Lillooet*	7.4%	10.2%	12.5%	12.3%
North Central	5.6%	7.7%	9.5%	9.3%
Vancouver Island and Coast	4.1%	6.3%	11.7%	9.3%
Lower Mainland-Southwest	4.6%	5.4%	12.7%	10.6%
British Columbia Total	4.7%	5.9%	12.3%	10.1%
Northern BC	5.8%	6.9%	11.6%	9.3%

Source: Statistics Canada, Table 282-0123 and Table 282-0134

After two years of declines, the unemployment rate in Northern B.C. remained relatively stable in 2019. At the beginning of 2020, the Northeast region had the lowest unemployment rate in the province. Beginning in mid-March, COVID-19-related business closures and layoffs led to increasing unemployment rates across the province. Unemployment rates peaked in Q2, reaching 12.3 per cent in B.C. and 11.6 per cent in Northern B.C. As the restrictions were lifted and the economy gradually re-opened, unemployment rates started to decline. In Q3 2020, unemployment rates in Northern B.C. continued their decline, particularly in the Northeast and Northwest regions, and sat below the B.C. provincial rate.

It is important to note that trends in unemployment rates vary by sector. Unemployment rates in B.C. reached 40 per cent in the accommodation and food services sector, and between 15 per cent and 20 per cent in the retail trade and information, culture and recreation sectors in April and May. By October 2020, unemployment rates in the accommodation and food services sector had declined to approximately nine per cent while unemployment rates in the retail trade and information, culture and recreation sectors had declined to between seven per cent and nine per cent, which was well above pre-pandemic levels. Unemployment rates within the construction sector also remained above pre-pandemic levels in October, while unemployment rates in most other sectors were consistent with pre-pandemic levels.<sup>5</sup> It is important to note that labour force participation rates also declined suggesting that some of the declines in unemployment rates may be attributable to people leaving the labour force due to lack of job opportunities.

### Unemployment Rate

*Rural areas tend to have higher unemployment rates than urban areas due to the higher dependence on seasonal employment such as forestry, fish processing and tourism.\* This is evident in a comparison of the unemployment rate in Prince George to that of the rural areas in Northern B.C. In Prince George the unemployment rate tends to be lower than in the region overall. In other areas of Northern B.C. unemployment rates and employment trends are similar to those in other regions of B.C. that have mainly rural populations.*

*\*Statistics Canada, "Understanding Rural Canada: Structures and Trends", available here: <http://www.statcan.gc.ca/pub/21f0016x/21f0016x1998001-eng.htm>*

5 Statistics Canada, Table: 14-10-0022-01

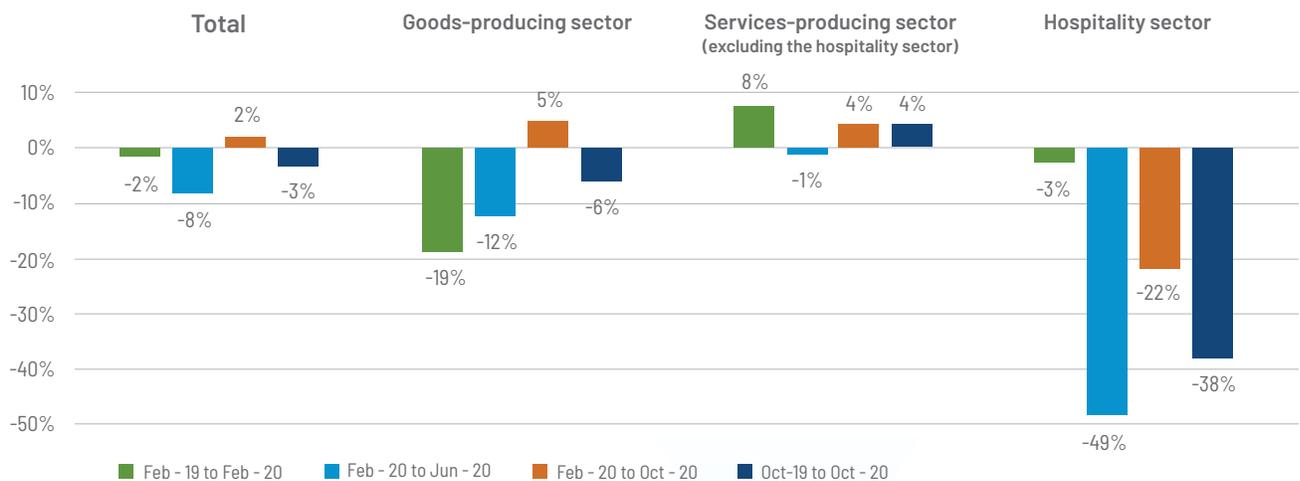
### 3. Impact of COVID-19

#### Employment by Industry – Northern B.C.

In late 2019 and early 2020, overall employment levels in Northern B.C. were declining as mill closures and curtailments in the second half of 2019 led to reductions in employment in forestry and wood product manufacturing. Between February 2020 and May 2020 when COVID-19 restrictions were at their peak, employment levels declined across all industry sectors, as approximately 12,100 individuals lost their jobs in the region.

At the onset of the pandemic, employment in the goods-sector declined across Northern B.C., as workforces were reduced at the LNG Canada, Coastal GasLink and Site C construction sites, while mills and mines shut down temporarily. Employment levels in the hospitality sector declined significantly while other services-sectors experienced marginal declines.

#### Employment Trends, Northern B.C., by Sector (three-month moving average)



Source: Statistics Canada Labour Force Survey

Note: The hospitality sector includes accommodation and food services; and information, culture and recreation.

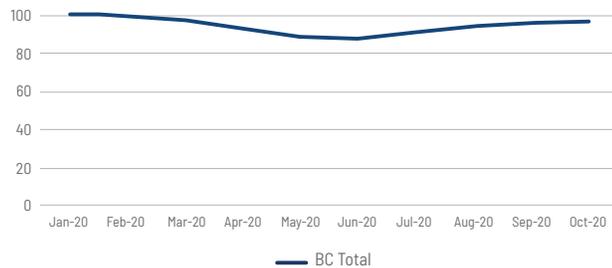
As restrictions were relaxed and B.C. moved into Phase 2 and then Phase 3, employment levels in the goods-sector increased rapidly. Mills and mines re-opened, while workers at the major infrastructure sites were gradually re-hired. By October 2020, employment levels in the goods-sector had recovered to above pre-pandemic levels, though remained six per cent below October 2019 levels due to declines in the forestry, mining, oil and gas and construction sectors. Employment in the hospitality sector has remained significantly lower than pre-pandemic levels in October 2020, despite a partial recovery as restaurants, hotels and local tourism operators re-opened in the second half of 2020. In other service sectors, employment increased year-over-year.

## State of the North REPORT

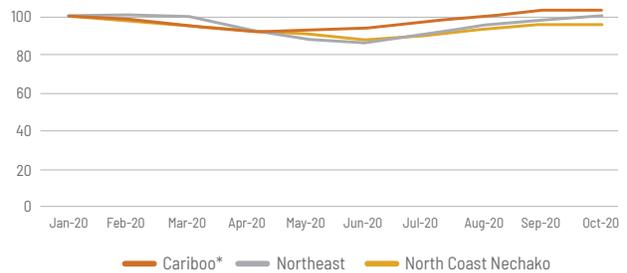
The Cariboo region (including Prince George) did not experience declines in employment at the same level as B.C. at the onset of the pandemic, and the recovery process began earlier in the region. By October 2020, employment levels in the region were above where they were at the beginning of the year.

In the Northeast and North Coast-Nechako regions, employment declines were more significant due to layoffs at major infrastructure projects. In the Northeast region employment recovered to pre-pandemic levels by October 2020, while in the North Coast-Nechako region, employment remained slightly below pre-pandemic levels.

**B.C. Total Employment Index**  
(Jan-Oct, 3-month moving average)



**Northern B.C. Employment by Region Index**  
(Jan-Oct, 3-month moving average)



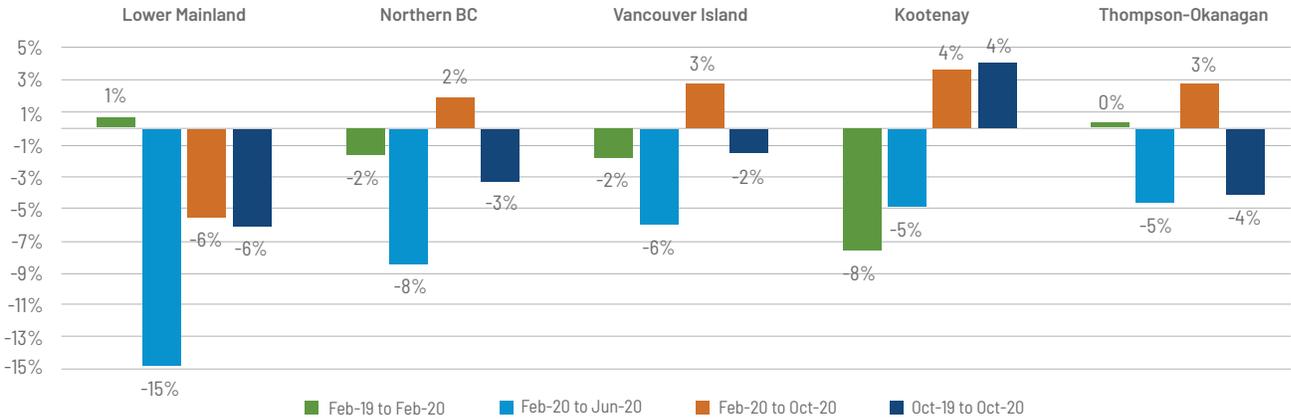
Source: Statistics Canada Labour Force Survey

\*Please note the Cariboo Development Region includes the City of Prince George and other parts of the North Central region.

Compared to other regions in B.C., Northern B.C.'s employment declines were similar to regions outside the Lower Mainland. The Lower Mainland had the most significant declines in the province, as it has the highest percentage of the province's employment in the hospitality sector.

*An Index is a series of data that represent changes over time relative to the first value in the series. The first time period is referred to as the "base year" and is usually set to 100 to allow for simplified comparisons.*

Employment Trends, by Region (three-month moving average)



Source: Statistics Canada Labour Force Survey

Compared with previous economic downturns, the declines in employment due to COVID-19 have been markedly different. Typically, there is an event or structural problem within the economy that leads to a decline in economic activity. In the 2008 recession, the U.S. housing market collapsed exposing problems in global financial markets. In B.C., the forest sector, which was producing at elevated capacity in an effort to salvage timber damaged by the mountain pine beetle, was severely impacted. Employment attributable to harvesting declined by over 40 per cent between 2007 and 2009, while employment in wood product manufacturing declined by over 60 per cent.<sup>6</sup> Overall employment in the goods-producing sector declined while employment in the service-producing sector was relatively stable.

Northern B.C. was among the most affected regions in 2008 due to its dependence on the forestry sector. The downturn led to permanent mill closures and migration out of the region.

The COVID-19 restrictions are not a typical crisis event that leads to an economic downturn. Restrictions

on movement and social interactions have disproportionately affected the tourism, entertainment and recreation sectors which rely on people being able to travel and gather in groups, as well as retail. If restrictions on movement and social gatherings remain, there is no clear path to recovery for the affected sectors and few policy options available support them.

Northern B.C. is less dependent on the affected sectors than the Lower Mainland. Consequently, the downturn is expected to be less severe in Northern B.C. and its recovery will be influenced by global demand for commodities.

*Key trends associated with the COVID-19 restrictions are the transition to working remotely and the shift to shopping online. In Northern B.C., the infrastructure to support remote working is limited. For retailers try to provide online shopping, there may be challenges with reaching local customers and with transportation/logistics.*

6 Statistics Canada, Labour Force Survey, Custom Tabulation. Prepared by BC Stats, April 2016

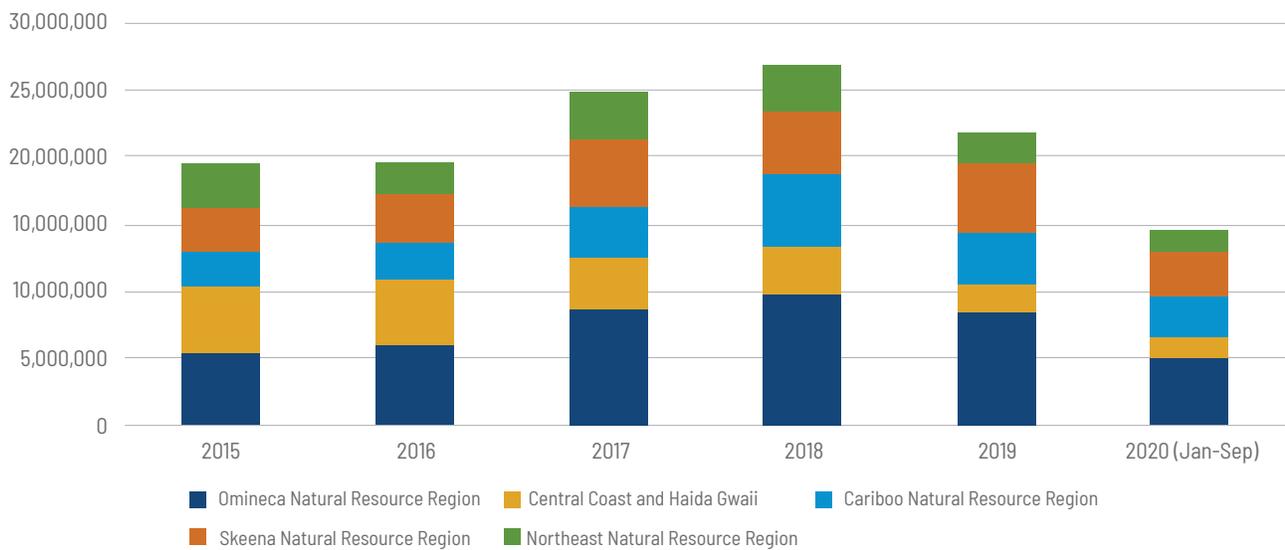
## 4. Industry Overviews

The economic base of a region is comprised of the industries that attract people to the region, drive employment, and support the retention of workers. In turn, workers and businesses within the economic base require supporting services, such as retail, public services, real estate, and support services for their businesses. These supporting industries are known as the local area market and are industries that exist to support the needs of residents and local businesses.

In Northern B.C. the economic base is comprised of goods-producing industries and tourism. There are also several industries that fall into both the economic base and the local area market. These industries attract workers from outside the region and support the local market. Included in this group of industries is construction, education, healthcare, energy, transportation, and professional, scientific and technical services.

### Forestry

#### Harvest Volumes by Region (cubic metres)



Source: Ministry of Forests, Lands, Natural Resource Operations and Rural Development. Harvest Billing System

### Log and Wood Pellet Cargo Volumes (metric tonnes)

	2015	2016	2017	2018	2019	2020 (Jan - Sep)
Containerized (Lumber, Pulp & paper and Logs)	 773,580	 700,914	 Not Available	 Not Available	 Not Available	 Not Available
Logs (tonnes)	 434,955	 454,461	 473,799	 515,381	 368,620	 243,039
Wood Pellets	 734,598	 896,257	 1,089,596	 1,227,210	 1,111,367	 1,069,506

Source: Prince Rupert Port Authority

### Timber Processing Facilities – Northern B.C.

	Facilities		Capacity		
	2015	2020	2015 (millions)	2020 (millions)	Share of B.C. Capacity, 2020
Lumber Mills	50	39	7,000 million board feet	6,404 million board feet	49%
Pulp and Paper Mills	10	6	2,900 thousands of tonnes	2,116 thousands of tonnes	33%
Pellet Mills	9	10	1,600 thousands of tonnes	1,720 thousands of tonnes	79%
Veneer, Plywood and Panel Mills	8	5	2,500 million square feet	1,043 million square feet	20%
Other*	16	17	Not available	Not available	14%

Source: Ministry of Forests, Lands and Natural Resource Operations, Major Timber Processing Facilities in B.C., 2018\*\*

\*2020 includes Log Home, 2015 does not.

\*\* Please note the estimates have been updated from the 2018 data file to reflect 2020 based on published information on permanent closures and available information on capacity.

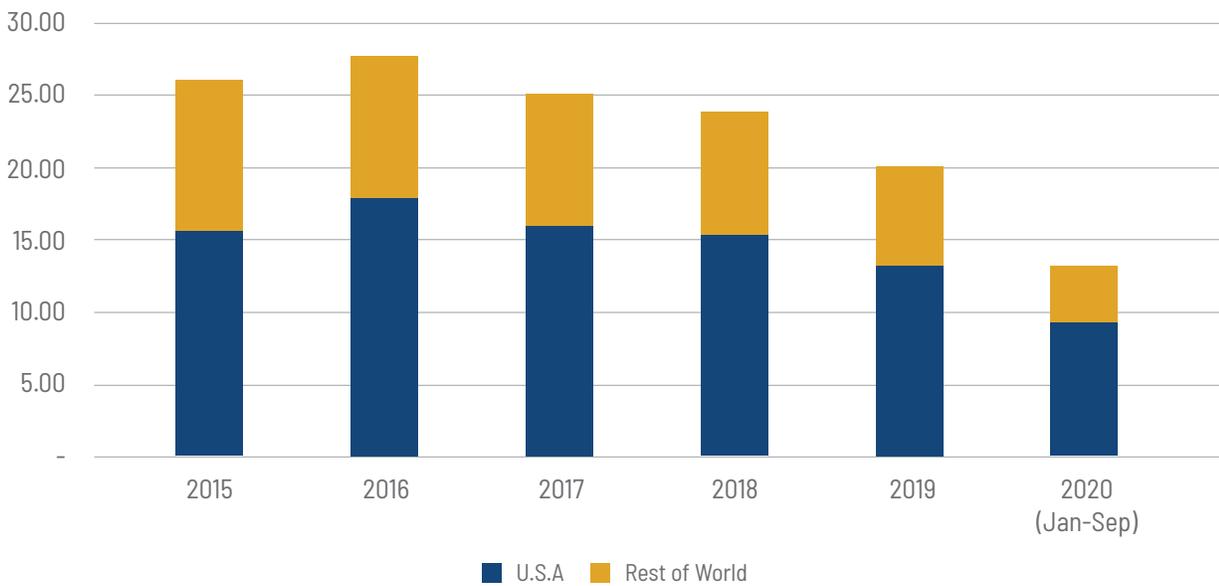
Forest Sector Employment – Northern B.C. (2019)

	Wood Product Manufacturing	Paper Manufacturing	Forest and Logging
Cariboo	4,000	2,800	3,400
Northeast	<1,500	<1,500	<1,500
North Coast and Nechako	<1,500	<1,500	2,200

Source: Statistics Canada Labour Force Survey

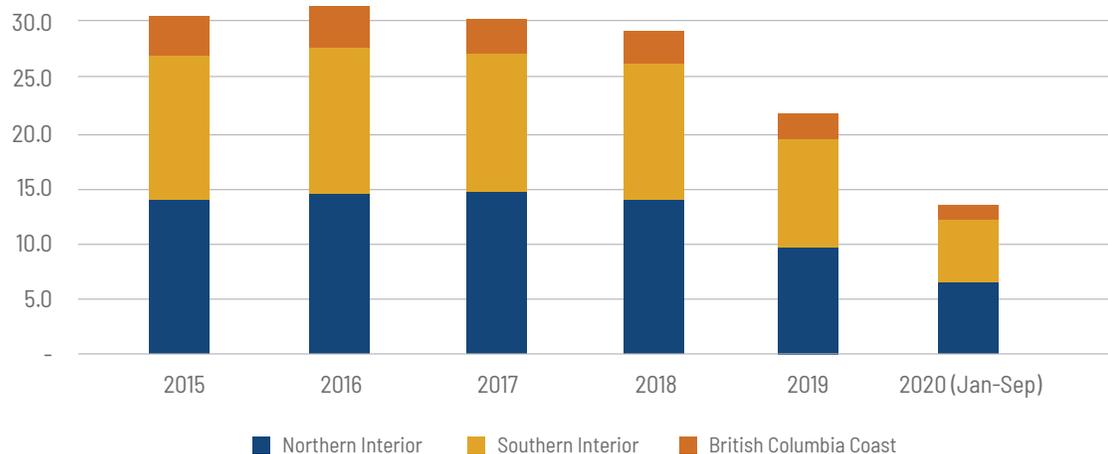
\*Please note data on employment was only available at the development region level. Prince George is included in the Cariboo Development Region. Lillooet, Lytton, Logan Lake, Spences Bridge, Gold Bridge, Bralorne, Cayoose Creek, Seton Lake, High Bar, Bridge River, Fountain, Pavillion, T’it’q’et, Kanacka Bar and Boothroyd are not included in these estimates.

B.C. Softwood Lumber Exports, 2015-2020 (millions of cubic metres)



Source: B.C. Stats, Softwood Lumber Exports

## B.C. Softwood Lumber Production, 2015-2019 (millions of cubic metres)



Source: Statistics Canada Table: 16-10-0045-01

The forestry sector remains a crucial part of Northern B.C.'s economy, accounting for significant employment in many communities across the region. As a result, the 2019 forestry sector downturn was especially difficult for Northern B.C. Ongoing timber supply issues, prolonged periods of depressed prices and softwood lumber tariffs all contributed to industry-wide mill closures and production curtailments in the second half of 2019. In total, nine mills closed permanently in Northern B.C. resulting in over one thousand lost jobs at mills in the region along with further job losses in harvesting.

At the beginning of 2020, lumber prices stabilized amid growth in new homes sales in the U.S., but were down significantly year-over-year. A CN Rail strike constrained shipments in February and the COVID-19 pandemic led to further declines in the sector in March and April. The initial economic contraction and overall uncertainty at the onset of the pandemic led to production curtailments, shift reductions and temporary mill closures across Northern B.C. Affected mills included West Fraser's Cariboo NBSK mill, which closed for nearly

six weeks in the second quarter of 2020, and the Sinclair Group's three mills in Northern B.C. (Vanderhoof, Fort St. James, Prince George), which shut down for three weeks in April to manage the spread of COVID-19.<sup>7 8</sup>

Beginning in early May 2020, softwood lumber prices began to increase as a combination of pent-up demand and low inventories from COVID-19-related shutdowns, record-low interest rates and increased interest in repairs and renovations led to a strong demand for building materials across North America. Lumber prices increased by over 170 per cent from April to September reaching all-time highs in early September 2020.<sup>9</sup>

Record high prices led to strong increases in softwood lumber production and exports in 2020. Between Q1 and Q3 2020, export volumes of B.C softwood lumber increased by 18 per cent while export values increased by 47 per cent.<sup>10</sup> Production of softwood lumber in the northern interior region also increased by 22 per cent between January and August.

7 West Fraser. 2020 Q2 Report

8 Wood Business. Available here: <https://www.woodbusiness.ca/sinclair-group-halts-production-at-3-sawmills-due-to-market-conditions/>

9 Wood Business. Available here: <https://www.woodbusiness.ca/nahb-builder-confidence-soars-to-an-all-time-high-lumber-risks-remain/>

10 B.C. Stats, Exports Data (September 2020)

Looking forward, lumber prices are expected to remain relatively high through the end of 2020 and into 2021, though a minor price correction could occur.<sup>11</sup> Supply inventory is expected to remain low while demand is expected to persist in North American and Asian markets, supporting prices levels. In Northern B.C., further layoffs in the sector are not expected, although challenges remain related to timber supply and softwood lumber tariffs. A sustained period of high prices would alleviate challenges related to tariffs and support employment at mills and forestry operations going forward.

### SOFTWOOD LUMBER DISPUTE UPDATE

In November 2020, the US Department of Commerce reduced the softwood lumber duty rate for the 'All Others' category of Canadian producers to 8.99 per cent from 20.32 per cent.<sup>12</sup> The 'All Others' category of producers applies to all Canadian producers aside from Canfor, West Fraser, Resolute, and JD Irving. For Canfor and West Fraser, the duties drop to 4.62 per cent and 8.97 per cent, respectively, from over 20 per cent previously.

## Energy

### Employment in the Utilities Sector

Region	Number of Employees
Cariboo	<1,500
Northeast	<1,500
North Coast and Nechako	<1,500

Source: Statistics Canada Labour Force Survey

Please note data on employment was only available at the development region level. Prince George is included in the Cariboo Development Region. Lillooet, Lytton, Logan Lake, Spences Bridge, Gold Bridge, Bralorne, Cayoose Creek, Seton Lake, High Bar, Bridge River, Fountain, Pavillion, T'it'q'et, Kanacka Bar and Boothroyd are not included in these estimates.

11 Canfor. 2020 Third Quarter Interim Report  
12 Global Affairs Canada. Available here: <https://www.canada.ca/en/global-affairs/news/2020/11/statement-by-minister-ng-about-us-duties-on-canadian-softwood-lumber.html>

## Energy Facilities

Region	Number of Independent Power Producers (IPPs)		
	Number	Capacity (MW)	Energy (GWh/yr)
Cariboo-Chilcotin/Lillooet	8	225	984
Northwest	10	1,244	4,857
Northeast	8	720	2,583
North Central	8	295	1,053
<b>Total</b>	<b>38</b>	<b>2,484</b>	<b>9,477</b>

Source: BC Hydro

The energy sector in Northern B.C. includes large hydroelectric dams, biomass facilities and wind farms. BC Hydro operates two hydroelectric facilities in the Northeast, which together represent approximately 29 per cent of BC Hydro's generating capacity, and 38 per cent of BC Hydro's total power generated.<sup>13</sup> In addition, there are 38 Independent Power Producers in Northern B.C. that produce 9,477 GWh/year. This includes 10 biomass facilities, five wind farms, 19 hydroelectric dams and four other facilities.

### SITE C PROJECT UPDATE

The Site C Dam near Fort St. John is currently under construction and, pre-pandemic, was on-schedule for expected completion in 2024. However, due to COVID-19, BC Hydro reduced their Site C workforce by approximately 50 per cent in March 2020.<sup>14</sup> In May 2020, BC Hydro began a phased approach to restarting construction activities and adding to their workforce. By September 2020, the Site C workforce returned to pre-pandemic levels.<sup>15</sup> As a result of the construction delays, the project's schedule and budget are being reassessed and are likely to be amended by the end of 2020.<sup>16</sup>

<sup>13</sup> BC Hydro. Available here: <https://www.bchydro.com/energy-in-bc/operations/our-facilities/peace.html>

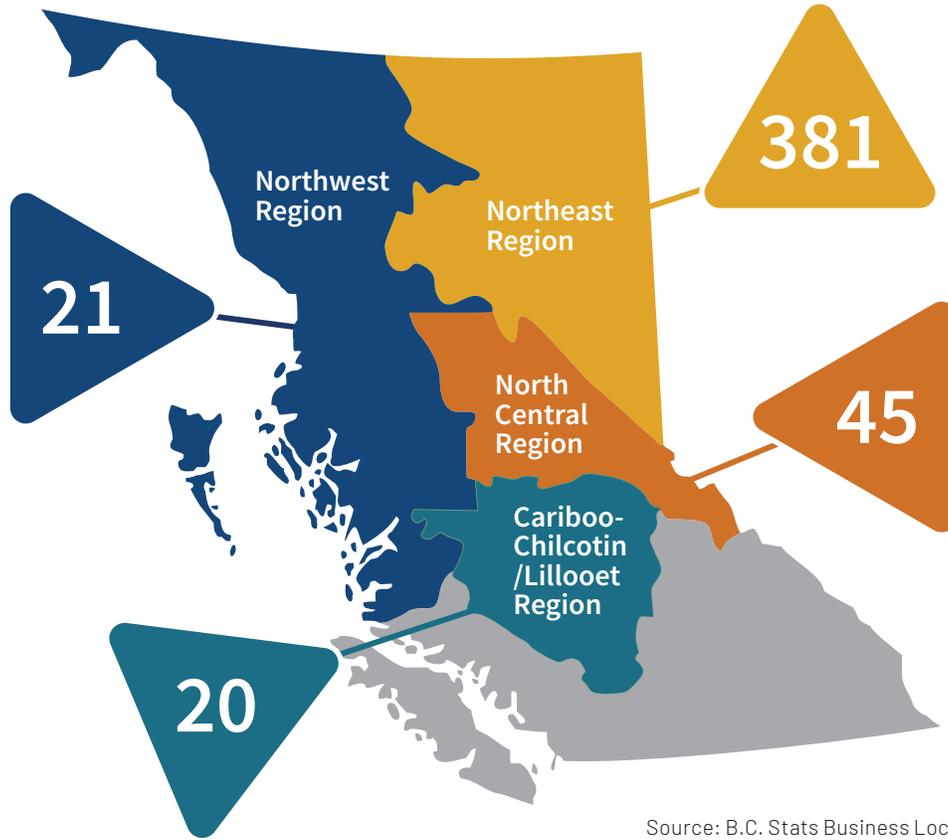
<sup>14</sup> BC Hydro. Quarterly Progress Report to the BCUC. July 31, 2020.

<sup>15</sup> BC Hydro. Monthly Employment Statistics.

<sup>16</sup> BC Hydro. Quarterly Progress Report to the BCUC. July 31, 2020.

## Mining / Oil and Gas

### Businesses in Mining, Oil and Gas



Source: B.C. Stats Business Locations

### Employment in the Mining, Oil & Gas Sector – Northern B.C.

Development Region	2015	2016	2017	2018	2019
Cariboo	1,900	2,500	2,100	1,700	2,200
Northeast	4,200	4,800	2,900	3,000	4,000
North Coast-Nechako	<1,500	<1,500	<1,500	<1,500	<1,500

Source: Statistics Canada Labour Force Survey

Please note data on employment was only available at the development region level. Prince George is included in the Cariboo Development Region. Lillooet, Lytton, Logan Lake, Spences Bridge, Gold Bridge, Bralorne, Cayoose Creek, Seton Lake, High Bar, Bridge River, Fountain, Pavillion, T’it’q’et, Kanacka Bar and Boothroyd are not included in these estimates.

## MINING

### Mines in Operation

Region	Coal	Metal (includes Gold, Copper, Silver, Zinc, Lead and Molybdenum)	Quarry (stone, sand, gravel and basalt)	Minerals (jade, gems and semi-precious stones)	Total
Northeast	3			1	4
Northwest		2	5	9	16
North Central		1			1
Cariboo-Chilcotin/Lillooet		3		1	4
<b>Total</b>	<b>3</b>	<b>6</b>	<b>5</b>	<b>11</b>	<b>25</b>

Source: Government of B.C., Major Mines in British Columbia

Northern B.C. has significant metal and coal deposits, with metallurgical coal deposits concentrated in the Northeast region and precious metal deposits in the Northwest and Cariboo-Chilcotin/Lillooet regions. There are currently nine coal and metal mines in operation in Northern B.C. as well as one under construction and two in the permitting phase.

The Cariboo Gold Project is a two-gold mine project near Quesnel that is currently in the permitting stage. It is expected to produce 4,750 tonnes of ore per day once it is fully operational, as early as 2022. The project is expected to employ 1,500 workers during the construction phase and 500 to 600 workers once operational.<sup>17</sup> Additionally, two mineral mines and two sand and gravel quarries began operating in the Northwest region in 2019.

The Blackwater Project is another gold mine project in the Prince George region that is currently in development. The project was sold to Artemis Gold in

August 2020 and is anticipated to begin construction in 2022.<sup>18</sup> The mine is expected to produce a maximum of 420,000 ounces of gold per year once fully operational.

Operations at the Silvertip mine in the Northwest region were indefinitely suspended in early 2020 due to low commodity prices for zinc and lead.<sup>19</sup> Operations at the Mount Polley mine in the Cariboo region were also suspended due to poor market conditions.<sup>20</sup> The mine is currently on care and maintenance status.

In 2019, B.C.'s mineral exploration sector shifted focus to copper, silver and nickel, and away from gold and coal. The Northwest region continues to be the primary location for investment and exploration activity, as the region attracted \$180 million in exploration spending in 2019, 55 per cent of the provincial total.<sup>21</sup>

17 Mining.com. Available here: <https://www.mining.com/osisko-could-breathe-life-back-into-bcs-barkerville-gold-mines/>

18 Artemis Gold. Available here: [https://www.artemisgoldinc.com/\\_resources/news/nr-20200826.pdf](https://www.artemisgoldinc.com/_resources/news/nr-20200826.pdf)

19 Coeur Mining. Available here: <https://www.coeur.com/operations/mines/silvertip-british-columbia/>

20 Imperial Metals. Available here: <https://www.imperialmetals.com/our-operations/mount-polley-mine/overview>

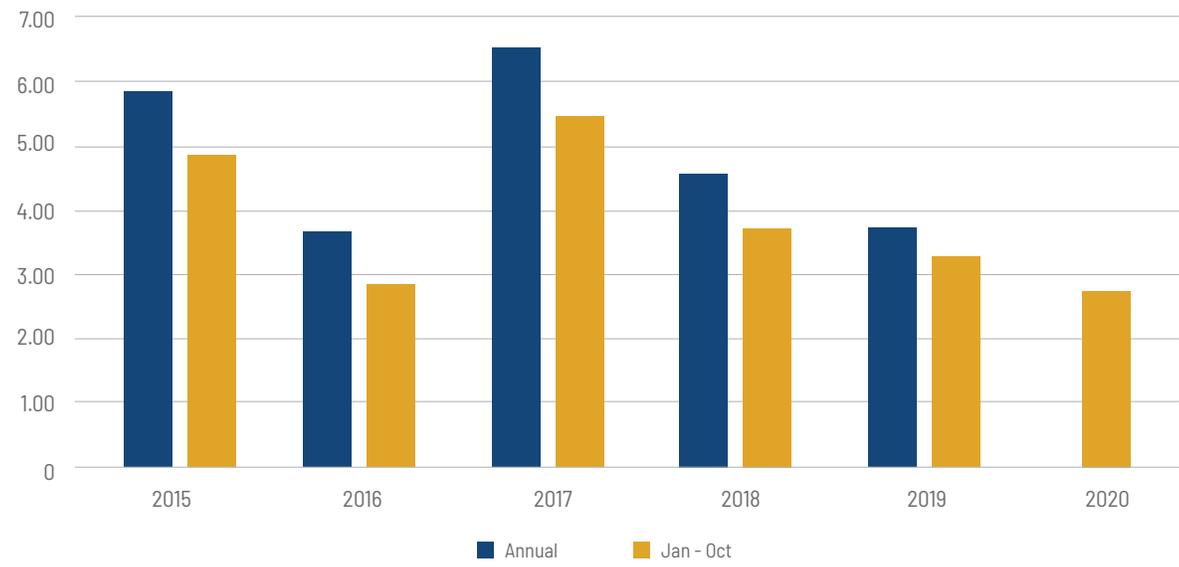
21 EY. British Columbia Mineral and Coal Exploration Survey, 2018

After a relatively stable year in 2019, the onset of the COVID-19 pandemic had a dramatic impact on metal and mineral prices. The pandemic triggered a flight to safety among investors as well as production disruptions, which resulted in record high gold prices.<sup>22</sup> Copper prices plummeted at the onset of the pandemic as manufacturing activity stalled but recovered to above pre-pandemic levels as economic activity resumed. Looking forward, precious metal prices are expected to decline in 2021 when investors move away from these ‘safer’ assets as economic activity picks up, while base metal prices are expected to increase as manufacturing activity resumes.<sup>23</sup>

*Base metals (copper, aluminum, zinc, nickel, etc...) are metals that are generally mined for use in industrial production, while precious metals (gold, silver, platinum, etc...) are generally used for bullion, jewelry, decorative and speculative purposes. Most base metals rust and corrode more easily than precious metals.*

## OIL & GAS

### Wells Drilled



Source: B.C. Oil and Gas Commission, Number of Wells Drilled

Northern B.C.’s oil and gas reserves are found in the Northeast region near Dawson Creek and Fort St. John, in the Montney Shale gas basin. Natural gas production encompasses the majority of drilling activity in the region. Global commodity price declines led to decreased drilling activity in 2015 and 2016. Prices improved in 2017 and led to increased drilling activity. However, natural gas prices declined through 2019 and drilling activity has slowed.

<sup>22</sup> World Economic Forum. Available here: <https://www.weforum.org/agenda/2020/11/commodity-markets-economics-charts-oil-energy-metals-gold-food-covid-19-coronavirus-pandemic/>

<sup>23</sup> World Bank. Commodity Markets Outlook. October 2020

In 2020, the demand for natural gas was down at the beginning of the year due to mild winter weather conditions. As COVID-19-related shutdowns began, natural gas demand was further suppressed and a global oversupply led to historically low prices.<sup>24</sup> The outlook for B.C.'s natural gas production is uncertain as wells drilled for LNG exports are expected to increase and may offset the effects of poor market conditions.

Enbridge is currently in process of expanding and upgrading its natural gas pipeline that runs from Chetwynd to the US border at Sumas. This will increase daily capacity of the pipeline by 190 MMcf and the construction is expected to be completed by 2021.<sup>25</sup>

### LNG CANADA PROJECT UPDATE

LNG Canada is now in its third year of construction and is expected to be completed by 2025. In March 2020, LNG Canada reduced its Kitimat workforce by 50 per cent to curtail the spread of COVID-19.<sup>26</sup> Beginning in June, LNG Canada began to gradually increase its workforce and resume construction activities. By August 2020, the workforce had returned to its pre-pandemic size and is projected to reach 2,500 workers by the end of the year.<sup>27</sup> The project is expected to provide a significant boost to the economy of Northern B.C. through the addition of up to 7,500 jobs during the construction phase.<sup>28</sup>

## Tourism

### Change in Passenger Volumes at Regional Airports

Region	2019	Jan-Jun 2020
Prince George	-1.9%	-37%
Northeast	3.1%	-26%

Source: Destination B.C. Tourism Indicators

24 International Energy Agency. Available here: <https://www.iea.org/reports/gas-2020>

25 Enbridge. Available here: <https://www.enbridge.com/projects-and-infrastructure/projects/south-reliability-and-expansion-program>

26 LNG Canada. "March 24 - COVID-19 Update". Available here: <https://www.lngcanada.ca/news/our-response-to-potential-covid-19-risks/>

27 LNG Canada. "Our gradual return to work". Available here: <https://www.lngcanada.ca/news/our-gradual-return-to-work-a-mid-summer-update-from-the-lng-canada-project-site/>

28 LNG Canada. "About LNG Canada". Available here: [www.lngcanada.ca](http://www.lngcanada.ca)

### Ferry Traffic

	Port Hardy - Prince Rupert		Skidegate - Prince Rupert		Skidegate - Aliford Bay	
	Vehicles	Passengers	Vehicles	Passengers	Vehicles	Passengers
2019	6.9%	5.9%	4.8%	3.5%	4.2%	3.7%
Jan - Sept 2019	3.2%	1.7%	7.6%	5.1%	5.4%	4.4%
Jan - Sept 2020	-45.7%	-60.6%	-51.4%	-63.3%	-40.2%	-53.1%

Source: BC Ferries Traffic Statistics

### Hotel Occupancy Rates – Prince George

2019 (Jan-Dec)	2020 (Jan-April)
62.8%	43.1%

Source: Destination B.C. Tourism Indicators

Tourism in Northern B.C. is centred around outdoor recreation and visits to friends and family. The region draws visitors from other parts of B.C., Canada, the U.S. and Europe for fishing, hiking, skiing, wildlife viewing and visits to historical and Indigenous cultural sites.

2019 was an improved year for tourism in Northern B.C. after the wildfire seasons of 2017 and 2018 led to declines in the sector. However, the tourism sector is among the hardest hit by the COVID-19 pandemic due to travel restrictions and border closures.

After the Phase 1 restrictions were introduced, BC Ferries’ passenger traffic on the northern routes declined by approximately 80 per cent year-over-year while vehicle traffic declined by approximately 70 per cent. Service levels were increased beginning in late April, and traffic levels increased throughout the

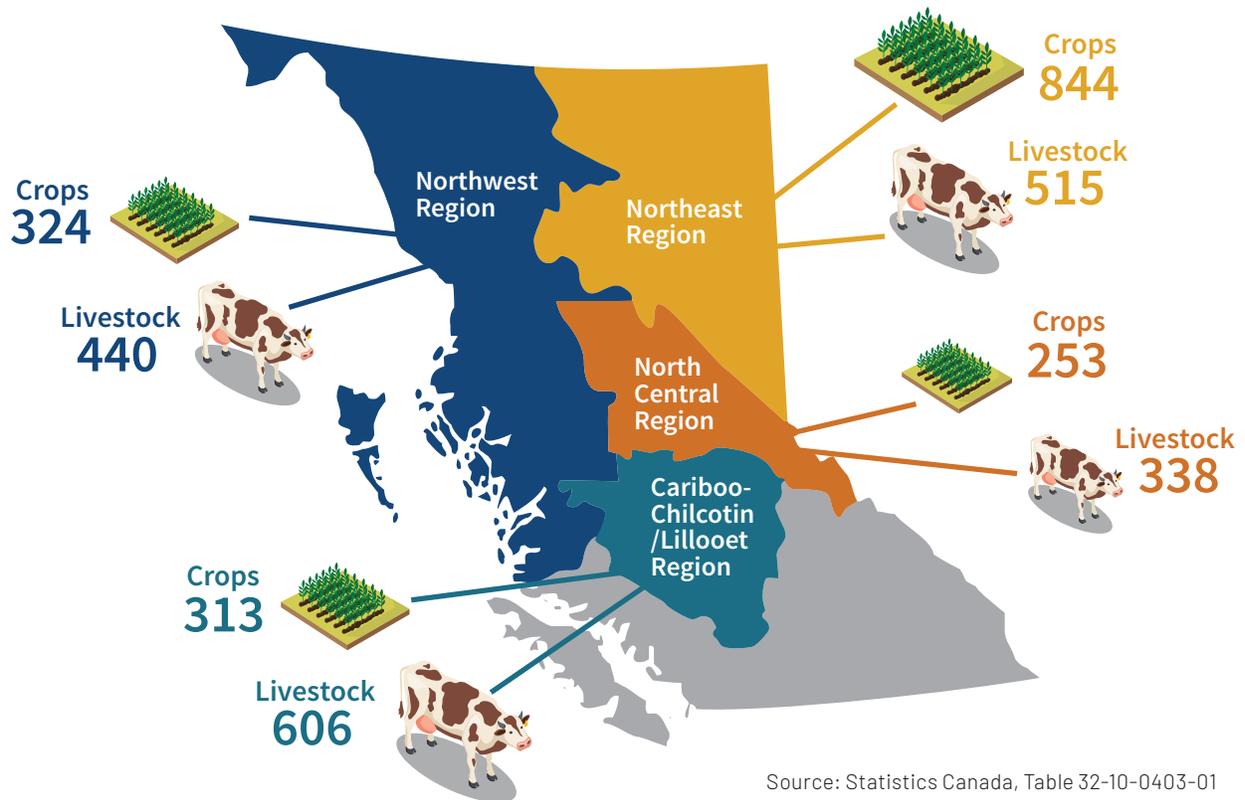
summer as travel restrictions within B.C. were relaxed. Through September 2020, passenger traffic was down 57 per cent year-over-year while vehicle traffic was down 44 per cent.

Passenger arrival data from Prince George and Smithers airports also indicate steep declines, suggesting that most visitors to the region travelled by car in 2020. Similarly, hotel occupancy rates in Prince George dropped to 24 per cent in April 2020.

The outlook for tourism in Northern B.C. is poor, though the region is less reliant on international tourists than many other parts of B.C., so the recovery process may be more rapid. It is important to note that travel may not recover immediately once restrictions are relaxed as it may take time for people to feel comfortable travelling again.

## Agriculture

### Number of Farms by Region (2016)



Source: Statistics Canada, Table 32-10-0403-01

Agriculture production occurs across Northern B.C. and plays an important role in the economies of many communities in the region. There are approximately 1,900 farms producing livestock and over 1,700 farms engaged in crop production in the region.

Livestock production primarily takes place in the Cariboo-Chilcotin/Lillooet area where there is large scale cattle production as well as hog, sheep, poultry and alpaca farming. The Northeast also produces cattle, hogs, bison and other game.<sup>30</sup>

The Northeast region is a significant producer of grain and oilseed. Approximately 80 per cent of B.C.'s total acreage and export production for these crops comes from the Northeast region.<sup>29</sup> The Cariboo-Chilcotin/Lillooet and Northwest regions are home to Northern B.C.'s barley and oat production, which are largely grown for livestock feed.

The agriculture industry accounts for a small percentage of overall employment in Northern B.C. and the majority of businesses do not have employees, which suggests most agricultural operations in Northern B.C. are small-scale family run farms or employ temporary or contract workers.

<sup>29</sup> Ministry of Agriculture (<http://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/animals-and-crops/crop-production/grains-oilseeds-pulse-crops>)

<sup>30</sup> Ministry of Agriculture, Agricultural Regions

## Grain Production

For the second year in row, 2020 was a challenging year for grain farmers in the Northeast region. An unusually wet fall in 2019 resulted in approximately half of the region's grain production left unharvested. Many farmers spent the first half of 2020 harvesting the previous years' crops and this, combined with a wet spring, significantly delayed planting and reduced the acreage planted. Additionally, many crops were destroyed by water and field erosion. Total producer deliveries of wheat declined by 27 per cent from January to October 2020, compared to the same period in 2019.<sup>31</sup>

## Cattle Production

Reduced grain production led to higher costs for feed and reduced prices being offered by cattle buyers. In the spring, COVID-19-related shutdowns at meat packing plants in Alberta and export facilities in Vancouver temporarily disrupted supply chains. The result was a decline in beef exports and overall lower profitability for the sector.

In 2020, the B.C. cattle industry launched a B.C.-branded beef program and established BC Beef Producers to operate a federally inspected processing facility near Westwold, east of Kamloops. The plant can currently process 15 head per day and is expected to ramp up production to eventually handle 50 head per day.<sup>32</sup> It is expected to reduce transportation times for cattle, reducing shipping costs and improving animal welfare.



31 The Western Producer. Available here: <https://www.producer.com/livestock/producers-launch-branded-b-c-beef/>

32 The Western Producer. Available here: <https://www.producer.com/livestock/producers-launch-branded-b-c-beef/>

# Regional Analysis:

Northern B.C.



# 5. Regional Analysis

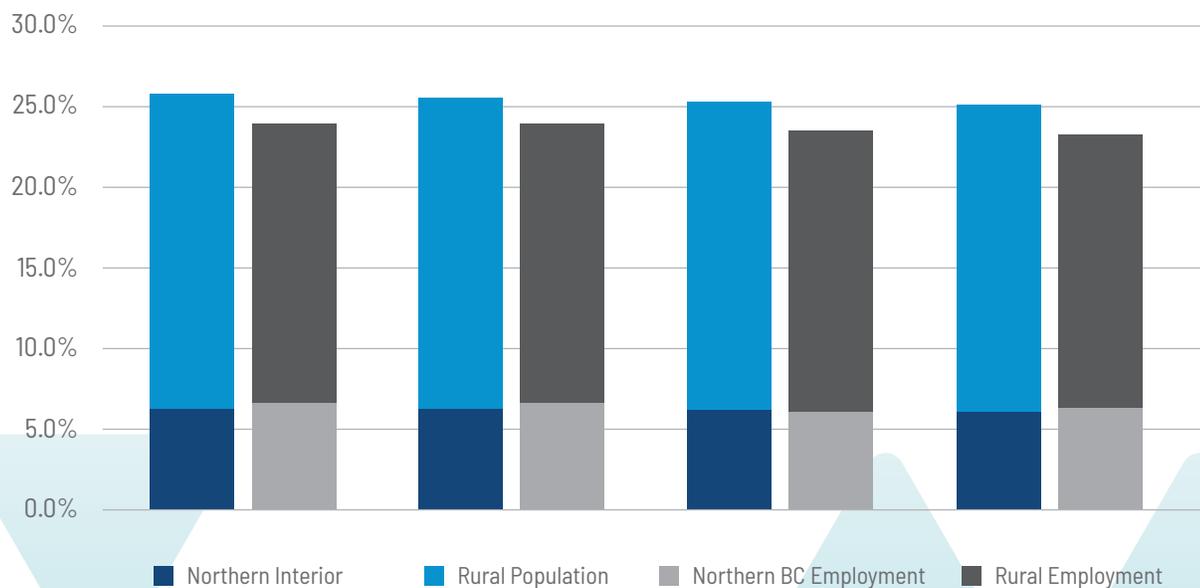
## Northern B.C.

### B.C.'s Rural Population and Rural Employment Over Time

Between 1996 and 2016 the percentage of B.C.'s population in rural areas declined from approximately 33 per cent to 28 per cent while the percentage of the provincial population in Northern B.C. declined from approximately nine per cent to seven per cent. Over the same period the percentage of provincial employment in Northern B.C. declined in a comparable manner. The declines are due in part to the region's continued reliance on core natural resources industries and lower rates of migration to the region. Natural resources industries have become more efficient and employ fewer individuals, while Northern B.C. has lower levels of immigration and migration compared to B.C. as a whole.

From 2016 to 2019 Northern B.C.'s population and employment share of total B.C. population and employment continued to decline. While population levels in Northern B.C. have increased modestly, growth rates in Northern B.C. were lower than growth rates in the Lower Mainland, Vancouver Island and the Okanagan regions.

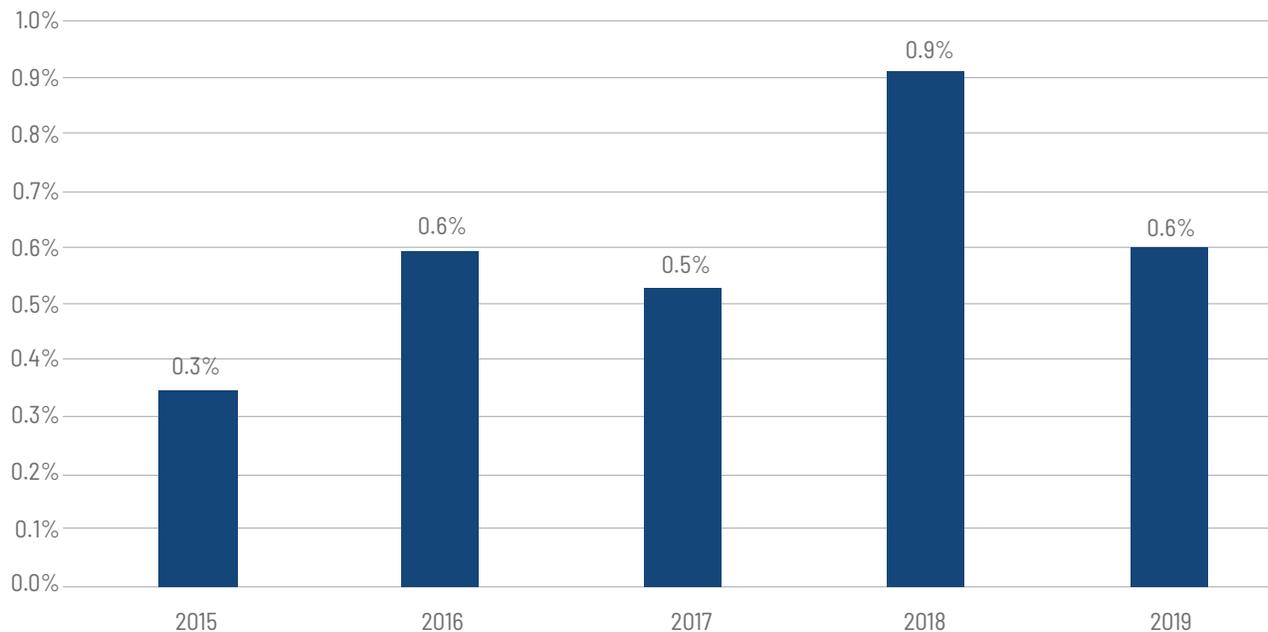
### Percentage of Employed Individuals and the Population that Live in Rural Areas, 2016-2019 (Table 1)



Source: Statistics Canada, Labour Force Survey

## Population

### Northern B.C. Population Growth (2015-2019)



Source: B.C. Stats, Sub-Provincial Population Estimates

Northern B.C.'s population continued to grow in 2019, albeit at a slightly slower pace than the previous year. Population growth was highest in the North Central region, led by another year of strong growth in Prince George. Preliminary estimates suggest that in Q1 of 2020, population growth in B.C. as a whole continued at a pace in line with 2019, before trending down in Q2 2020 and further slowing in Q3 2020. This is likely linked to reduced international immigration. However, this is unlikely to be a major factor in Northern B.C. as international immigration is a small component of the region's overall population growth.

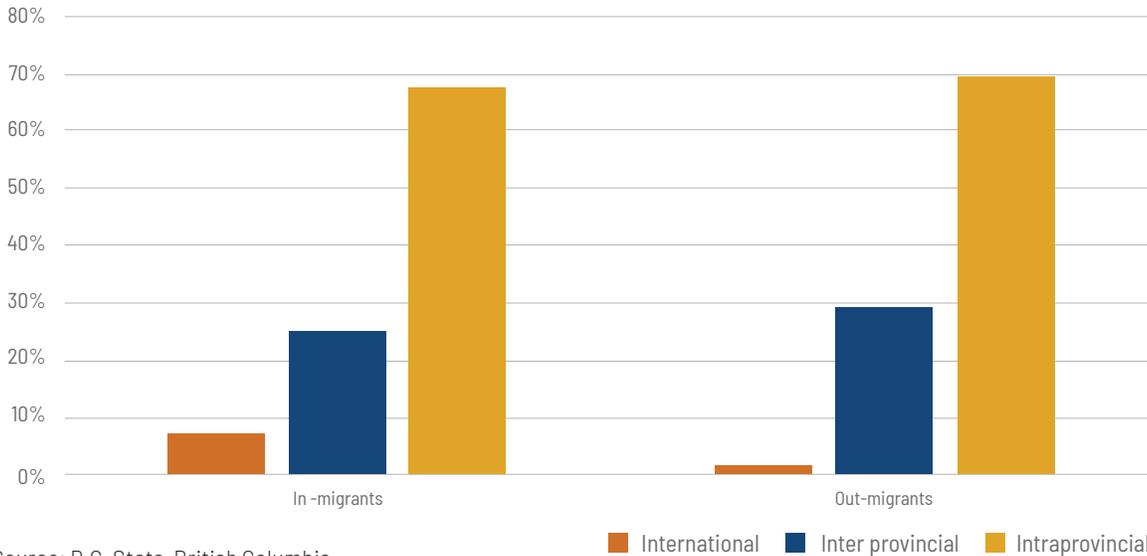
There are indications from the housing market that population levels are trending upwards in parts of Northern B.C. in 2020, as individuals and families seek permanent or second homes in less densely populated parts of the province.<sup>33</sup> Additionally, the major infrastructure projects in the Northwest and Northeast regions have re-hired most or all of the employees that were laid off at the onset of COVID-19.

\*Please note B.C. Stats annually adjusts their historical population estimates. In 2020, the historical estimates were revised to show decreased population levels in Northern B.C. for 2015-2018.

33 CBC News. Available here: <https://www.cbc.ca/news/canada/british-columbia/northern-bc-real-estate-1.5697892>

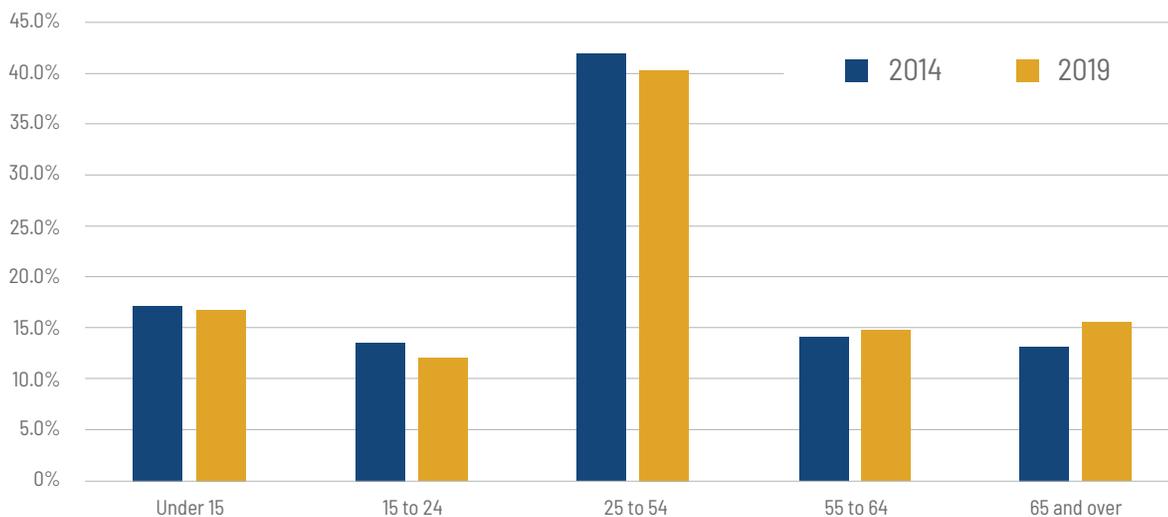
### Average Share of Annual Migration by Source/Destination – Northern B.C.

(2011/12 to 2018/2019)



Source: B.C. Stats, British Columbia Regional District Migration Components

### Population Age Distribution – Northern B.C.

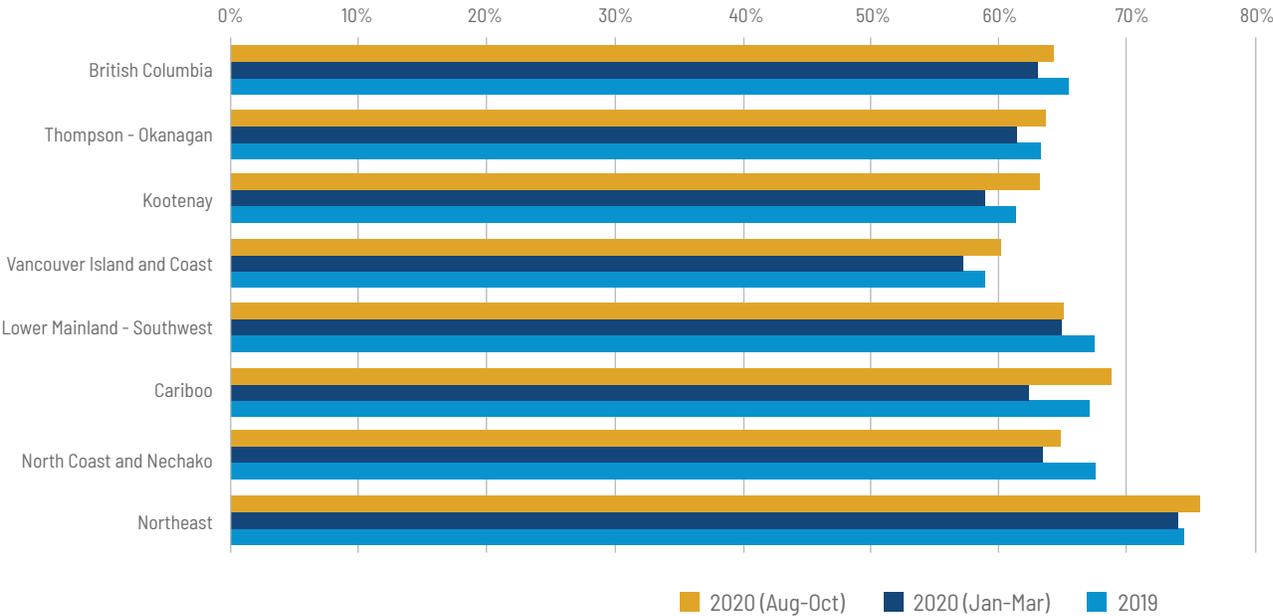


Source: B.C. Stats, Sub-Provincial Population Estimates

The population of Northern B.C. remains relatively younger than that of B.C. overall. Northern B.C. has a larger percentage of the population under age 15 and a smaller percentage over age 65. The share of the working age population (age 15 to 64) is in line with B.C. as a whole. However, there are indications Northern B.C.’s population is aging and will continue to age.

# Labour Force and Employment

## Labour Force Participation by Region (2019, 2020 Jan-Mar, 2020 Aug-Oct)



Source: Statistics Canada, Labour Force Survey

Northern B.C.'s labour force participation rate trended down in 2019, which was likely linked to layoffs in the forest sector. However, Northern B.C. still has the highest labour force participation rates in B.C., led by the Northeast region and Prince George area.

Following the introductions of Phase 1 COVID-19 restrictions, Northern B.C.'s labour force participation rates declined moderately as there were layoffs in the hospitality sector and hiring was limited. By October 2020, participation rates returned to pre-pandemic levels in most areas of Northern B.C. as economic

activity in the natural resource sectors and major projects resumed.

Looking forward, LNG Canada and Site C are expected to continue to increase their workforces, which should support employment levels and labour force participation rates in the Northwest and Northeast regions. However, further restrictions to control the second wave of COVID-19 that lead to workforce reductions on major projects could reduce participation rates in the short-term.

## COVID-19 UPDATE

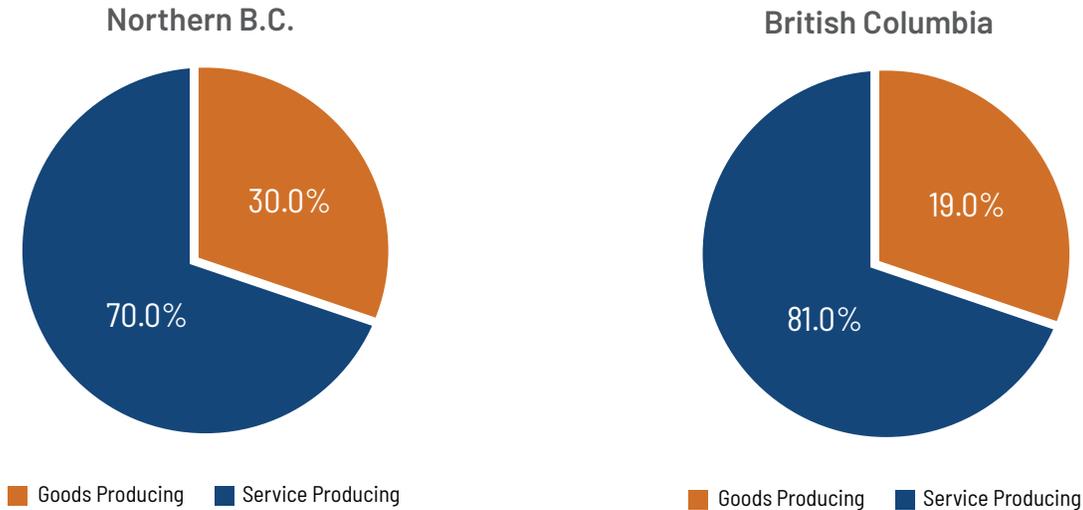
In April 2020 at the start of restrictions, labour force participation rates in B.C. declined. Among women 15 to 44, participation rates dropped by between 10 and 20 percentage points and among men in the same age groups, participation rates dropped by between seven and 16 percentage points.

Participation rates began to rise among both women and men in June and by October, participation rates were approximately one percentage point lower for women and 1.4 percentage points lower for men compared with 2019.

The **labour force** participation rate measures the share of the population 15 years and over who are in the labour force.

Regions with younger populations tend to have higher labour force participation rates while those with older populations have lower rates. Participation rates also tend to fall during recessions and rise during expansions.

### Share of Employment by Sector (2019 Northern B.C. and B.C. Total)



Source: Statistics Canada, Labour Force Survey

Northern B.C. accounts for approximately 6.3 percent of employment in B.C. and that share has been falling since 2012. The decline is linked to Northern B.C.’s reliance on natural resource-based industries and market conditions for key commodities.

In 2019, overall employment decreased modestly as declines in the manufacturing sector due to mill closures and curtailments, were partially offset by gains in the professional services and transportation sectors. Employment edged up in the Prince George area, while the Northeast region experienced the most significant declines due to downturns in the retail trade, construction and transportation sectors.

Beginning in March 2020, COVID-19-related restrictions led to significant employment declines across Northern B.C. Between February and June, employment declined

by approximately eight per cent. The sector affected most by the pandemic was accommodation and food services where employment declines were between 30 and 40 per cent across the region.

By October 2020, overall employment levels in Northern B.C. rebounded sharply and were above February levels, but were down compared with Q3 2019. This reflects a decline in the construction, forestry and mining sectors as well as the impacts of COVID-19 on the hospitality and tourism sectors. The accommodation, food services, entertainment and recreation sectors have experienced significant year-over-year employment declines.

Ongoing travel restrictions and limitations on gatherings are expected to continue to reduce growth expectations in these sectors going forward.

## Business Environment

### Number of Businesses with Employees – Northern B.C.

Industry	2019 Total	Growth Trend (2015 - 2017)	Share of businesses with less than 20 employees
Construction	1,997	Stable	91%
Agriculture, Forestry, Fishing & Hunting	1,364	Stable	91%
Mining, Oil & Gas Extraction	467	Declining	85%
Manufacturing	420	Stable	73%
Transportation & Warehousing	1,281	Stable	91%
Retail Trade	1,676	Stable	84%
Health Care & Social Assistance	1,170	Growing	84%
Professional, Scientific & Technical Services	997	Stable	93%
Accommodation & Food Services	1,020	Stable	70%
Real Estate, Rental & Leasing	617	Growing	96%
Admin. & Support, Waste Mgmt. & Remedtn	557	Declining	90%
Wholesale Trade	490	Declining	83%
Finance & Insurance	353	Stable	88%
Arts, Entertainment & Recreation	225	Stable	86%
Public Administration	170	Growing	26%
Educational Services	145	Stable	72%
Information & Cultural Industries	152	Growing	89%
Utilities	39	Stable	92%
Management of Companies & Enterprises	41	Declining	68%
Other Services (excl. Public Administration)	1,421	Stable	94%
<b>Total</b>	<b>14,602</b>		<b>87%</b>

Source: B.C. Stats Business Formations & Failures

## Incorporations - Northern B.C.

Region	2016-2018 Average	2019 Total
Northwest	202	240
Northeast	410	391
North Central	435	431
Cariboo-Chilcotin/Lillooet	172	171
<b>Total</b>	<b>1,222</b>	<b>1,233</b>

Source: Office of the Superintendent of Bankruptcy Canada

Business incorporations were again stable in 2019 after declines from 2014 to 2017. The Northwest region experienced strong business growth while the Cariboo-Chilcotin/Lillooet region experienced declines. Year-over-year growth in the number of businesses with employees was concentrated in the health care and social assistance, real estate and rental and leasing, public administration and information and cultural industries sectors.

Looking forward, major infrastructure projects in the Northwest are expected to encourage business activity in this region. In other regions business growth will depend on the path of economic recovery and the pandemic.

## Bankruptcies - Northern B.C.

	Northern B.C.		B.C. Total	
	2016-2018 Average	2019 Total	2016-2018 Average	2019 Total
<b>Personal Bankruptcies</b>	367	359	4,312	4,134
<b>Business Bankruptcies</b>	6	4	114	90

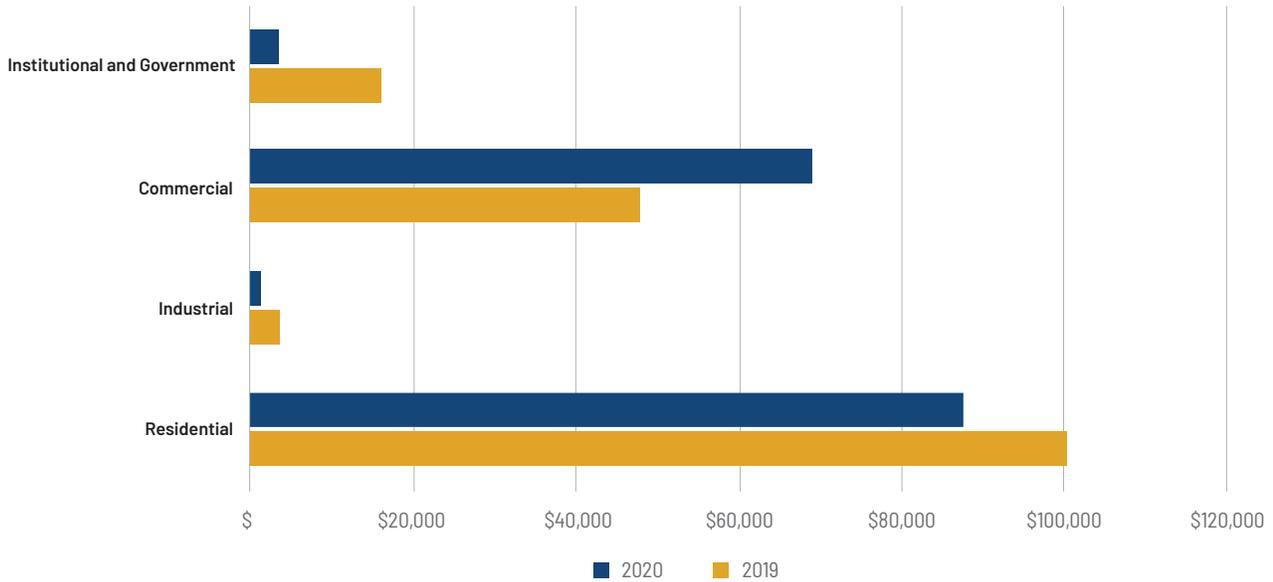
Source: Office of the Superintendent of Bankruptcy Canada

In the first half of 2020, consumer and business bankruptcies in Northern B.C. declined year-over-year by 27 per cent and 50 per cent, respectively. This is consistent with trends observed across Canada and is likely due in part to government support measures like the Canadian Emergency Response Benefit (CERB) and the Canadian Emergency Wage Subsidy (CEWS), as well as mortgage deferral options. As government support measures are eased, both consumer and business bankruptcies are likely to increase. The sectors most at risk in Northern B.C. retail, accommodation and food services, recreation and culture, and other tourism-related businesses.

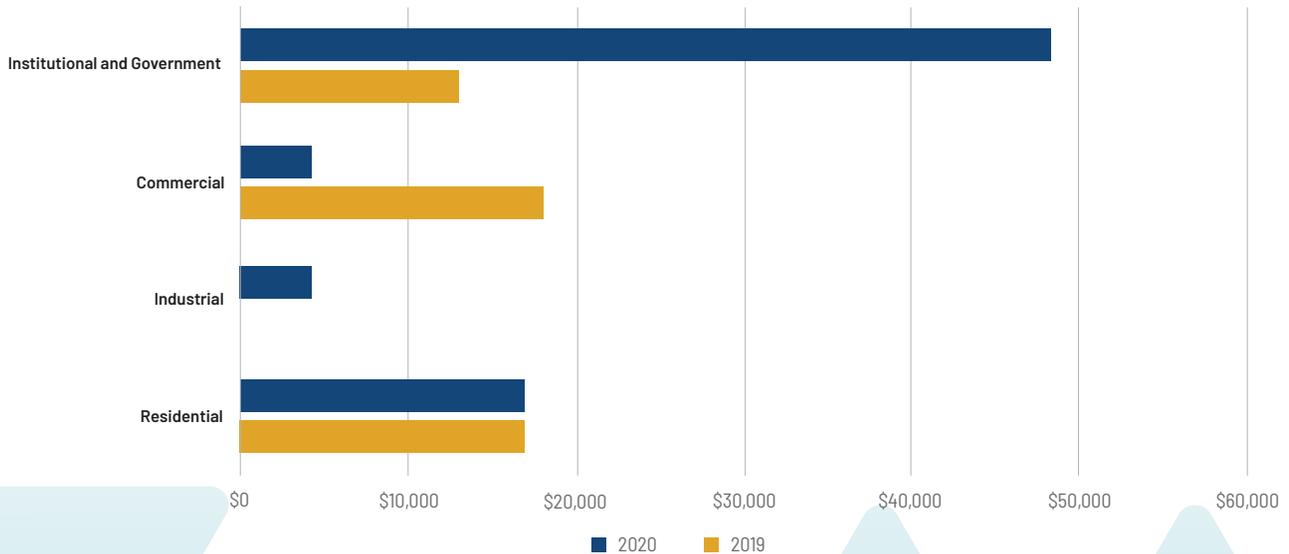
It is important to note that business bankruptcies are only a partial reflection of business closures. Businesses that chose to shut down but were not experiencing immediate financial difficulties or that did not have assets to distribute would not be included.

## Construction Activity

Building Permit Values (City of Prince George) (January to September, in \$000s)



Building Permit Values (City of Fort St. John) (January to September, in \$000s)



\*Please note that complete building permit data was only available for the City of Prince George and the City of Fort St. John.

## Housing Starts by Region

	Jan-Sep (2019)	Jan-Sep (2020)	2018 Annual	2019 Annual
Cariboo-Chilcotin/Lillooet	82	34	114	98
North Central	247	293	427	417
Northeast	58	49	92	75
Northwest	63	30	174	71
<b>Grand Total</b>	<b>450</b>	<b>406</b>	<b>807</b>	<b>661</b>

Source: Canada Mortgage and Housing

The value of building permits in Prince George decreased by four per cent in the first nine months of 2020, compared with the same period in 2019. The decline was driven by residential permit values, which experienced a 13 per cent year-over-year decline, while non-residential permit value increased by 10 per cent, year-over-year.

After a 44 per cent decline in the value of building permits in the first half of 2020, they were up 40 per cent year-over-year in Q3 2020.<sup>34</sup> This suggests that at the onset of COVID-19, construction activity declined but the overall outlook remains positive, as construction activity has resumed in Prince George.

The value of building permits in Fort St. John increased by over 50 per cent in the first nine months of 2020, compared with the same period in 2019. However, the vast majority of this increase is linked to the construction of a new RCMP detachment building. The value of residential permits was approximately even year-over-year, through September 2020. This suggests that the outlook remains muted.

Building permits indicate construction intentions, while housing starts indicate construction activity. In the first nine months of 2020, housing starts increased in the North Central region, but declined in all other regions.

## Cost of Living and Affordability

The living wage in Northern B.C. is estimated to range from \$14.03 in the Cariboo region to \$20.61 in the Northwest region. Comparing the living wage to median wages in Northern B.C., most workers earn at least a living wage. In 2019, two provincial programs aimed at reducing childcare expenses, the Affordable Child Care Benefit and the Child Care Fee Reduction Initiative, led to overall reductions in the living wage estimates. However, it is important to note that this only applies to households with children, for households without children living wages would have increased in 2019 due to an overall increase in shelter costs.

<sup>34</sup> City of Prince George. Open Data. Available here: <https://data-cityofpg.opendata.arcgis.com/>

Home ownership in Northern B.C. remains affordable, especially relative to Vancouver and Victoria where affordability is a major concern. Even though housing prices have begun to climb in some communities in Northern B.C., most households spend less than 30 per cent of their income on shelter costs.

### LIVING WAGES

A living wage is the hourly wage rate that is required for a household to meet its basic needs and provide a basic level of economic security. Living wages are calculated based on a family of four in which both parents work full-time, one child is in full-time daycare and one child is in after school care. Costs used in the calculation include rental housing, transportation, food, clothing, child-care, medical expenses and other miscellaneous expenses. The calculation does not include retirement savings, debt servicing or costs associated with caring for elderly, disabled or seriously ill family members.

Source: Living Wage Canada, Canadian Living Wage Framework

### COVID-19 UPDATE - HOUSING

Across much of B.C., including Northern B.C., COVID-19 restrictions in March and April led to significant declines in sales activity as both buyers and sellers left the market. In Northern B.C., sales in April 2020 reached their lowest level since 1988 and overall sales in Q2 2020 fell by approximately 30 per cent year-over-year.<sup>35</sup>

From May to September, sales volumes increased substantially as the economy began to reopen and the real estate sector adapted to the COVID-19 pandemic by increasing the use of virtual tours and implementing mandatory mask use for open houses. Initially, both buyers and sellers left the market, while mortgage deferral options may have contributed to fewer forced sales. As the economy reopened, record-low interest rates and pent-up demand caused a flood of buyers in the housing market, putting some upward pressure on prices in Northern B.C. It is also important to note that COVID-19-related job losses have fallen disproportionately on lower-wage workers, which likely has a greater effect on the rental market than the new home and resale market.

There are also some indications that 2020 housing price increases are linked to buyers seeking to leave more densely populated areas of the province or acquire second homes in the region.<sup>36</sup> In Q3 2020, sales volumes reached their second highest level of all-time, increasing by over 30 per cent year-over-year, while average home prices were up approximately 14 per cent year-over-year in September 2020 across the region.<sup>37</sup>

35 BC Northern Real Estate Board. Available here: <http://bcnreb.bc.ca/board-news-releases-3>

36 CBC News. Available here: <https://www.cbc.ca/news/canada/british-columbia/northern-bc-real-estate-1.5697892>

37 BC Northern Real Estate Board. Available here: <http://bcnreb.bc.ca/board-news-releases-3>

# Northwest Region

## Regional Analysis



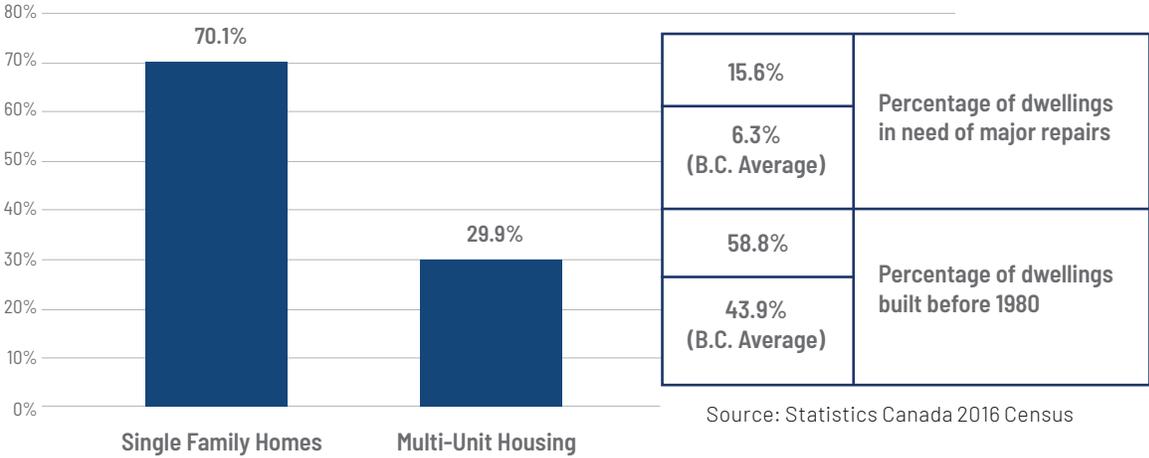
The Northwest region is the largest geographic area in Northern B.C. It is comprised of the Stikine, Kitimat- Stikine, North Coast, and Central Coast Regional Districts as well as the majority of the Bulkley-Nechako Regional District (includes the communities of Houston, Burns Lake, Granisle, Smithers and Telkwa). Prince Rupert is the largest population centre in the area and most of the Northwest region's population resides in the communities between Burns Lake and Prince Rupert

Households by the Numbers (2016-2019)

<b>269</b>	Change in population (2019)
<b>0.31%</b>	Annual population growth rate (2016 - 2019)
<b>5.6%</b>	Percentage of migrants to the region from outside of Canada (2019)
<b>2.5</b>	Average household size (2016)
<b>97%</b>	Percentage of homes owned by Canadian residents (2018)
<b>48%</b>	Percentage of households in single family dwellings (2018)
<b>74%</b>	Percentage of households that own their home (2016)
<b>9.3%</b>	Percentage of owners spending more than 30% of their income on shelter (2016)
<b>30.5%</b>	Percentage of renters spending more than 30% of their income on shelter (2016)
<b>2.9%</b>	Rental property vacancy rate (2019)
<b>\$850-\$950</b>	Average rental rate for apartments and townhomes (2019)

Source: Statistics Canada 2016 Census, B.C. Stats Population Estimates, Canadian Mortgage and Housing Corporation

### Housing Stock 2018 – Composition of Housing Stock

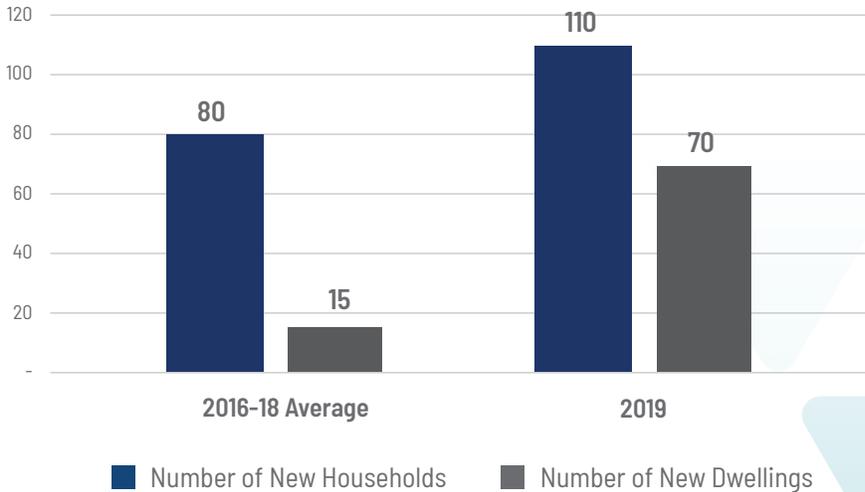


Source: Statistics Canada Table 46-10-0018-01 Residency ownership of residential properties by property type and period of construction, provinces of Nova Scotia, Ontario and British Columbia

The percentage of dwellings in need of major repairs is significantly higher than the provincial average and has remained roughly the same since 2011, while the age of the housing stock is also well above the provincial average. This suggests that there is need for a renewal of the housing stock to meet future demands.

### Snapshot of Prince Rupert

#### New Households and New Dwellings (2016 - 2019)



Source: B.C. Stats, Sub-Provincial Population Estimates and Canada Mortgage and Housing Corporation, Housing Completions for Centres 10,000+

Between 2016 and 2018, the number of new households significantly exceeded the number of new dwellings. In 2019, growth in the number of households remained above growth in dwellings, but the gap has narrowed. Of the new dwellings built in Prince Rupert in 2019, approximately 95 per cent were apartments. Data was not available for the number of new dwellings in other communities in the Northwest region.

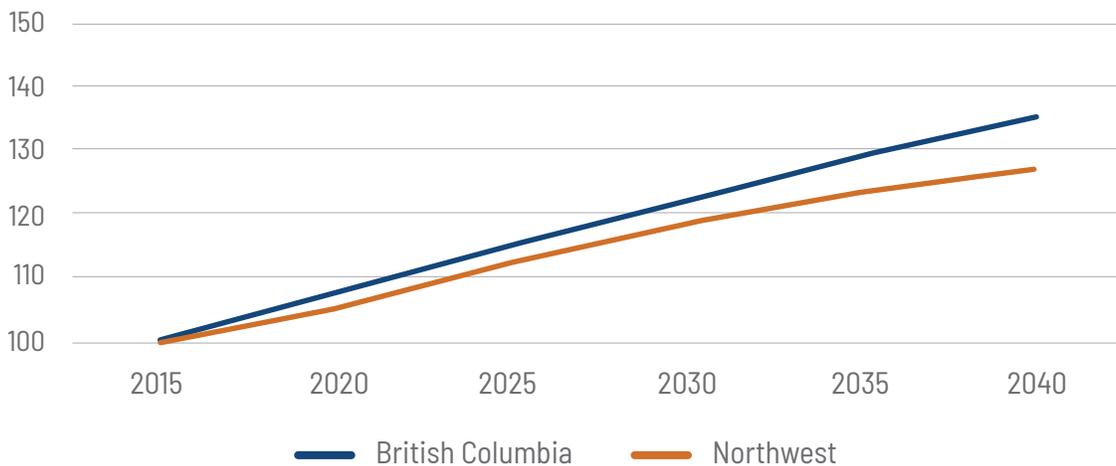
There are indications that the housing market in the Northwest region is tightening as rental vacancy rates are declining while rental rates are increasing. Housing prices across the region have increased rapidly since 2018 and there has been a marked increase in apartment construction in the region. This is likely linked to the LNG Canada facility construction in Kitimat and workers that choose to live in the surrounding community as well as growth in employment for businesses providing goods and services to the facility and at the construction site.

### Non-Market Housing (March 2020)

	Number	Trend
Number of homeless sheltered	259	Growing
Number of units of transitional supported and assisted living	332	Declining
Low income families	569	Growing
Low income seniors	251	Growing
Rental assistance in private market	204	Stable

Source: B.C. Housing, Research and Corporate Planning Dept

### Projected Number of Households Index (2020-2040)

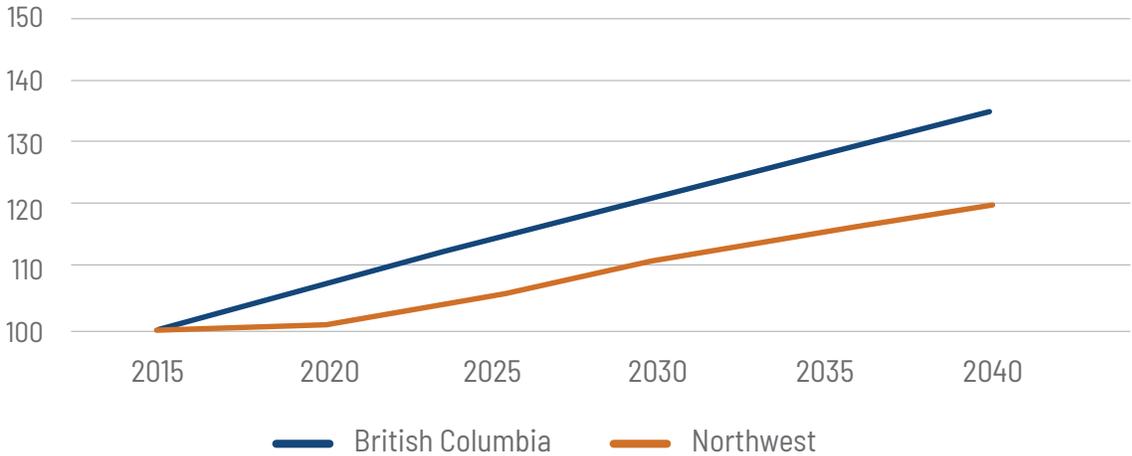


Source: B.C. Stats, Sub-Provincial Population Estimates and Projections

**An Index is a series of data that represent changes over time relative to the first value in the series. The first time period is referred to as the "base year" and is usually set to 100 to allow for simplified comparisons.**

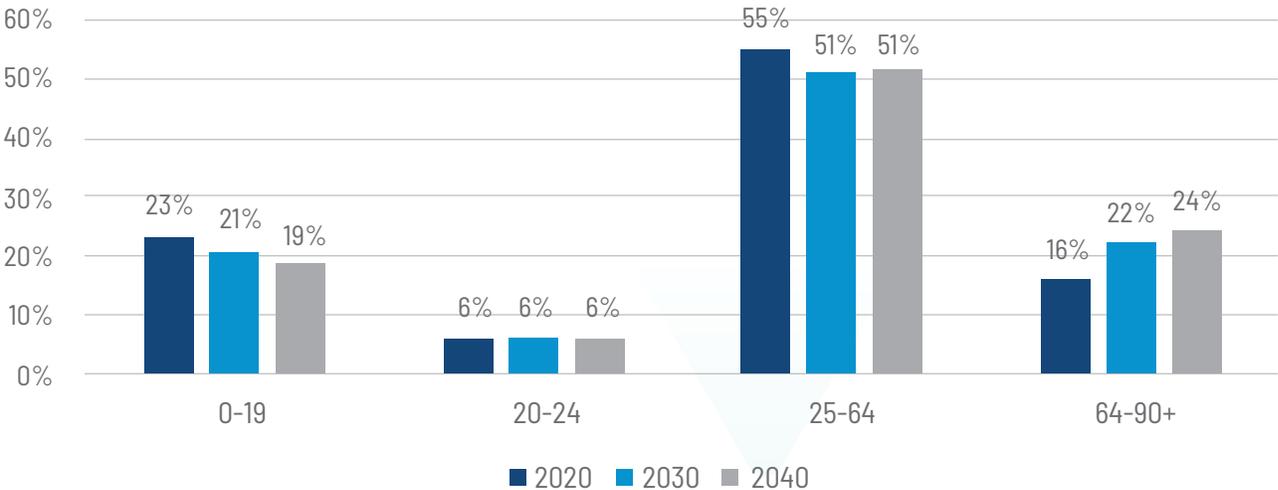
**In the projected population and households indices, the gap between the regional index and provincial index shows the change in growth rates over time.**

### Projected Population Index (2020-2040)



Between 2020 and 2040 the population in the Northwest is projected to grow at an annual rate of 0.9 per cent, while the number of households is projected to grow by one per cent. The provincial population and number of households are projected to grow by 1.1 per cent annually

### Projected Age Distribution (2020-2040)



Source: B.C. Stats, Sub-Provincial Population Estimates and Projections

The population in the Northwest is projected to age with the percentage of the population aged 65 and over rising from 16 per cent in 2020, to 24 per cent by 2040. As a result, it is anticipated that there will be increased demand for smaller housing units in areas near to healthcare services for seniors like condominiums, row houses and semi-detached units in urban centres.

## Employment

Employment in the Northwest region is largely dependent on forestry, mining, transportation and construction related to major infrastructure projects like LNG Canada. Employment levels were relatively stable between 2015 and 2018, and in 2019 there was a modest decline.

Employment gains were largely in the construction, professional services, and accommodation and food services sectors. These gains were offset by declines in the manufacturing and transportation sectors, which is likely linked to challenges in the forest sector across Northern B.C.

At the onset of COVID-19, the Northwest region experienced significant employment declines in both the goods-sector and services-sector. Manufacturing and construction employment both declined by over 25 per cent from February to June, which is linked to workforce reductions at LNG Canada and Coastal GasLink as well as temporary mill shutdowns.<sup>38</sup> By October 2020, construction employment was above pre-pandemic levels as LNG Canada and Coastal GasLink re-hired laid off workers and manufacturing employment also recovered to pre-pandemic levels.

In the services-sector, employment in accommodation and food services declined by over 40 per cent from February 2020 to June 2020.<sup>39</sup> The recovery process has been much slower, as employment levels were still 30 per cent lower than February 2020 levels in October 2020.<sup>40</sup>

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38 Statistics Canada. Table: 14-10-0091-01

39 Ibid

40 Ibid

## Cost of Living and Affordability

### Median Wages for Select Occupations

	Median Wage
<b>Goods-producing Industries</b>	
Machine operators, mineral and metal processing	\$40.00
Welders and related machine operators	\$33.76
Heavy-duty equipment mechanics	\$36.00
Logging machinery operators	\$30.00
Heavy equipment operators (except crane)	\$32.00
Electricians (except industrial and power system)	\$29.00
Carpenters	\$27.76
Transport truck drivers	\$25.63
Construction trades helpers and labourers	\$20.00
Silviculture and forestry workers	\$23.00
<b>Service Industries</b>	
Registered nurses and registered psychiatric nurses	\$38.00
Elementary school and kindergarten teachers	\$36.55
Administrative assistants	\$22.00
Social and community service workers	\$20.00
Accounting technicians and bookkeepers	\$22.50
Home support workers, housekeepers and related occupations	\$18.25
Retail salespersons	\$14.60
Cashiers	\$14.60
Food and beverage servers	\$14.60
<b>Living Wage - Terrace</b>	<b>\$20.61</b>
<b>Living Wage - Kitimat</b>	<b>\$18.17</b>

Source: Government of Canada Job Bank and Living Wage Canada

Median wages in the Northwest are comparable to other regions in Northern B.C. Median wages in the goods-sector and the majority of occupations in the services-sector are above the living wage of \$18.17, while median wages for those working in accommodation and food service and retail occupations are below the living wage. Compared with other regions of Northern B.C., wage rates in the Northwest region are higher for silviculture and forestry workers and generally similar in other selected occupations

### Median Housing Prices



Source: Canadian Real Estate Association and BC Real Estate Association

Home prices across the Northwest region rose for the third straight year in 2020, as Burns Lake, Smithers, Terrace and Houston all experienced significant year-over-year gains through September 2020. Housing prices stabilized in Prince Rupert and Kitimat after both communities experienced over 40 per cent year-over-year growth in September 2019.<sup>41</sup>

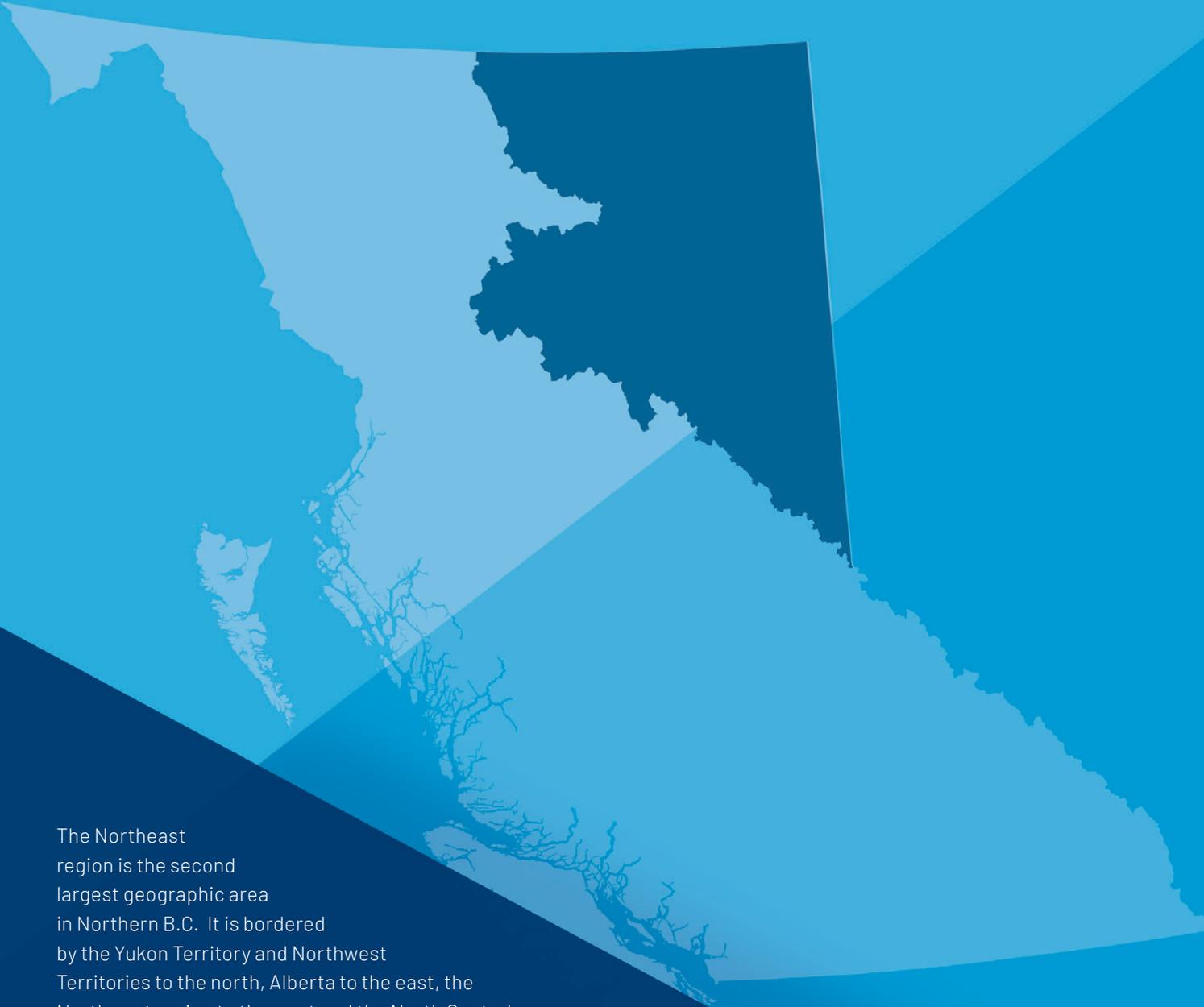
Despite recent price increases, most communities in the Northwest region remain relatively affordable, as Terrace is the only community in the region where the percentage of income required for housing is above 30 per cent. In Kitimat, affordability worsened in 2019 as the percentage of income required for housing increased to 25 per cent, while in Prince Rupert affordability remained largely the same.

Much like the rest of the province, the Northwest region experienced a significant slowdown in sales volumes at the onset of COVID-19, and a subsequent surge in sales in the third quarter as buyers and sellers returned to the market and mortgage rates reached record lows. Housing prices in the Northwest region are expected to continue to be supported by increased economic activity in the region related to the construction of the LNG Canada facility and Coastal GasLink pipeline.

<sup>41</sup> BC Northern Real Estate Board. Housing Affordability Indicators Northern British Columbia 2019

# Northeast Region

## Regional Analysis

A map of the Northeast Region of British Columbia, Canada. The region is highlighted in a dark blue color, showing its location within the province. The map includes the Yukon Territory and Northwest Territories to the north, Alberta to the east, the Northwest region to the west, and the North Central region to the south. The map also shows the Northern Rockies and Peace River Regional Districts.

The Northeast region is the second largest geographic area in Northern B.C. It is bordered by the Yukon Territory and Northwest Territories to the north, Alberta to the east, the Northwest region to the west and the North Central region to the south. It is comprised of the Northern Rockies and Peace River Regional Districts. Fort St. John is the largest community in the region and most of the Northeast's population resides in the south-eastern corner of the Peace River Regional District.

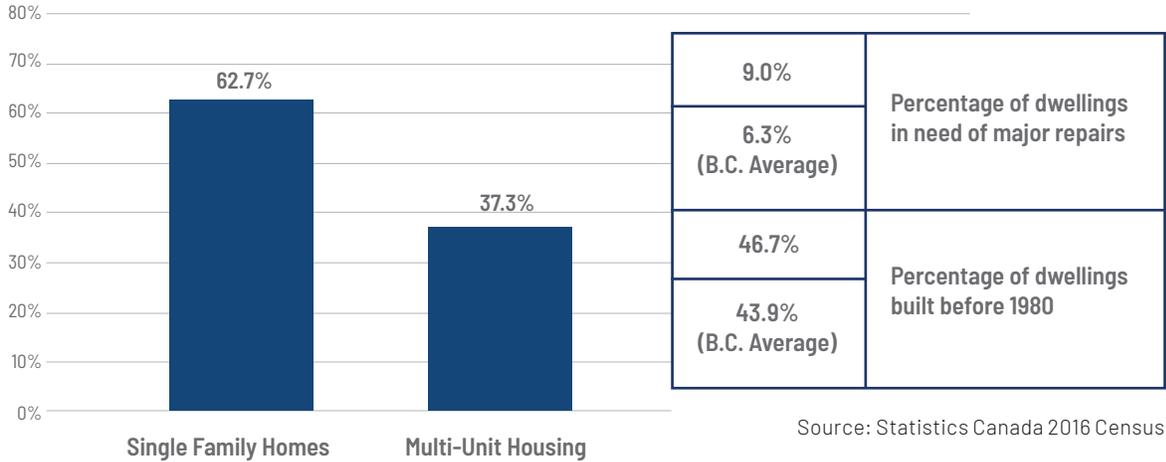
## Population and Housing

### Households by the Numbers (2016-2019)

<b>-50</b>	Change in population (2019)
<b>0.11%</b>	Annual population growth rate (2016 - 2019)
<b>10.8%</b>	Percentage of migrants to the region from outside of Canada (2019)
<b>2.5</b>	Average household size (2016)
<b>98%</b>	Percentage of homes owned by Canadian residents (2018)
<b>51%</b>	Percentage of households in single family dwellings (2018)
<b>71%</b>	Percentage of households that own their home (2016)
<b>11.3%</b>	Percentage of owners spending more than 30% of their income on shelter (2016)
<b>30.6%</b>	Percentage of renters spending more than 30% of their income on shelter (2016)
<b>15.1%</b>	Rental property vacancy rate (2019)
<b>\$930-\$980</b>	Average rental rate for apartments and townhomes (2019)

Source: Statistics Canada 2016 Census, B.C. Stats Population Estimates, Canadian Mortgage and Housing Corporation

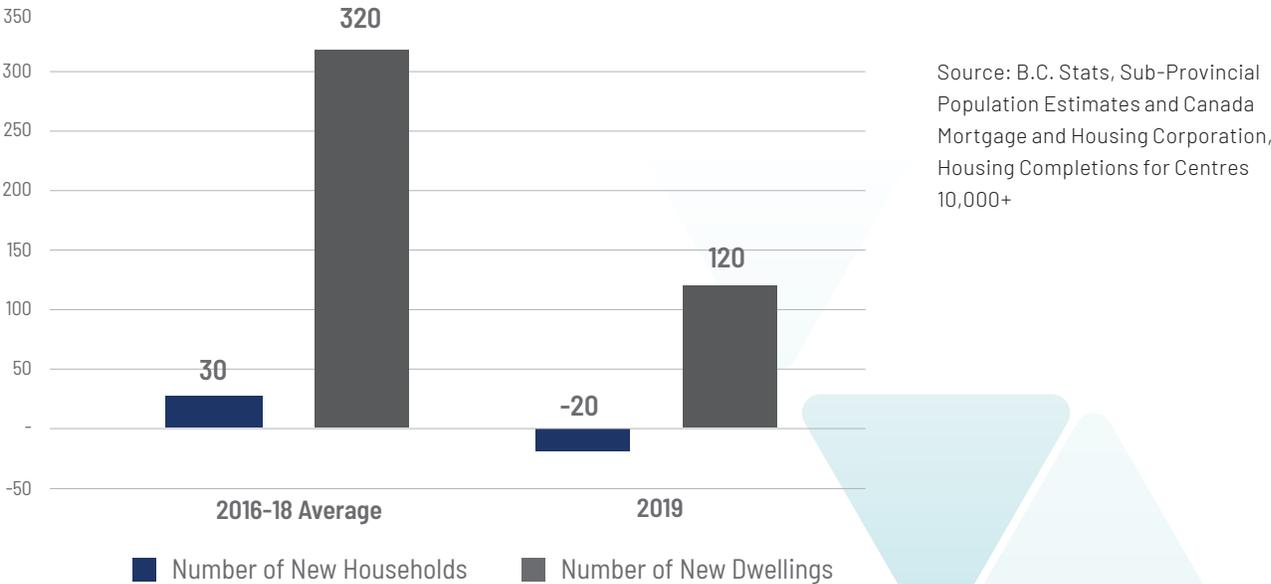
### Housing Stock 2018 – Composition of Housing Stock



Source: Statistics Canada Table 46-10-0018-01 Residency ownership of residential properties by property type and period of construction, provinces of Nova Scotia, Ontario and British Columbia

The percentage of dwellings in need of major repairs is slightly higher than the provincial average and the rate has increased since 2011. The age of the housing stock is also slightly above the provincial average but is lower than other regions in Northern B.C. This suggests that there is some need for housing renewal in the region, though it is not as urgent as other areas in Northern B.C.

### New Households and New Dwellings (2016 - 2019)



## State of the North REPORT

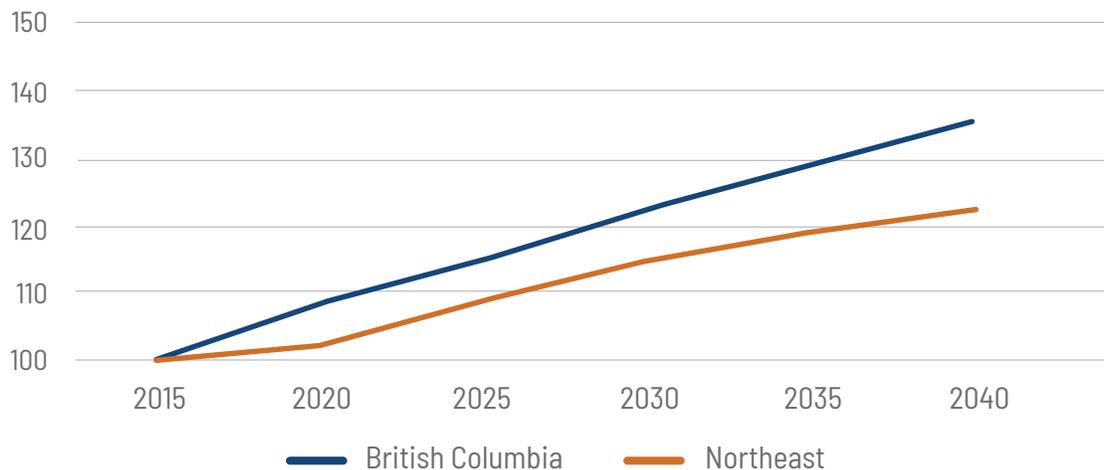
Between 2016 and 2018 the number of households grew modestly while the number of dwellings increased substantially. In 2019, the number of households declined while the growth rate of new dwellings slowed. Of the new dwellings built in 2019, approximately 45 per cent were apartments while approximately 40 per cent were single-family homes. This suggests that past increases in housing demand due to increased employment opportunities were met with increases in housing construction.

### Non-Market Housing (March 2020)

	Number	Trend
Number of homeless sheltered	125	Declining
Number of units of transitional supported and assisted living	161	Declining
Low income families	289	Declining
Low income seniors	165	Declining
Rental assistance in private market	269	Growing

Source: B.C. Housing, Research and Corporate Planning Dept

### Projected Number of Households Index (2020-2040)

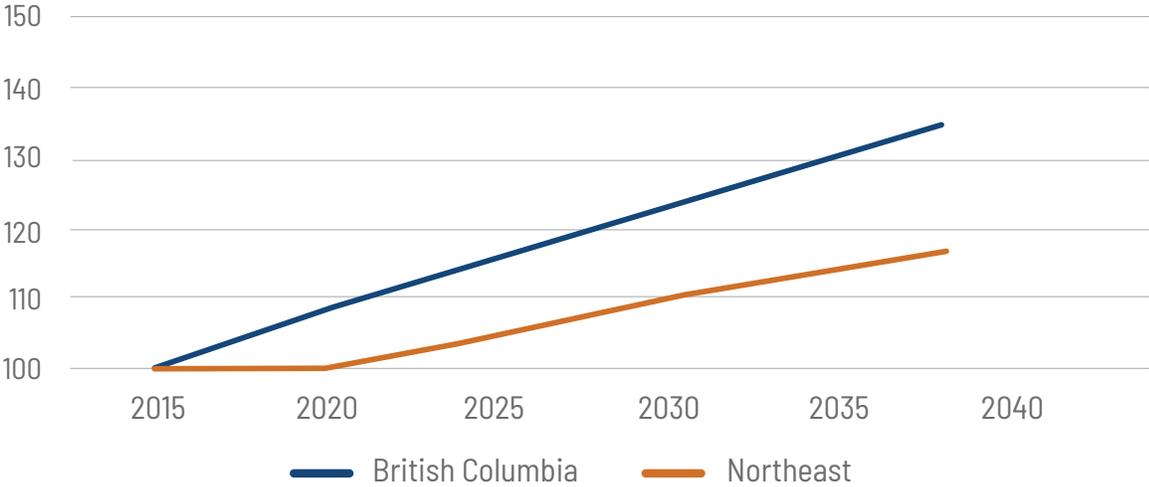


Source: B.C. Stats, Sub-Provincial Population Estimates and Projections

**An Index is a series of data that represent changes over time relative to the first value in the series. The first time period is referred to as the "base year" and is usually set to 100 to allow for simplified comparisons.**

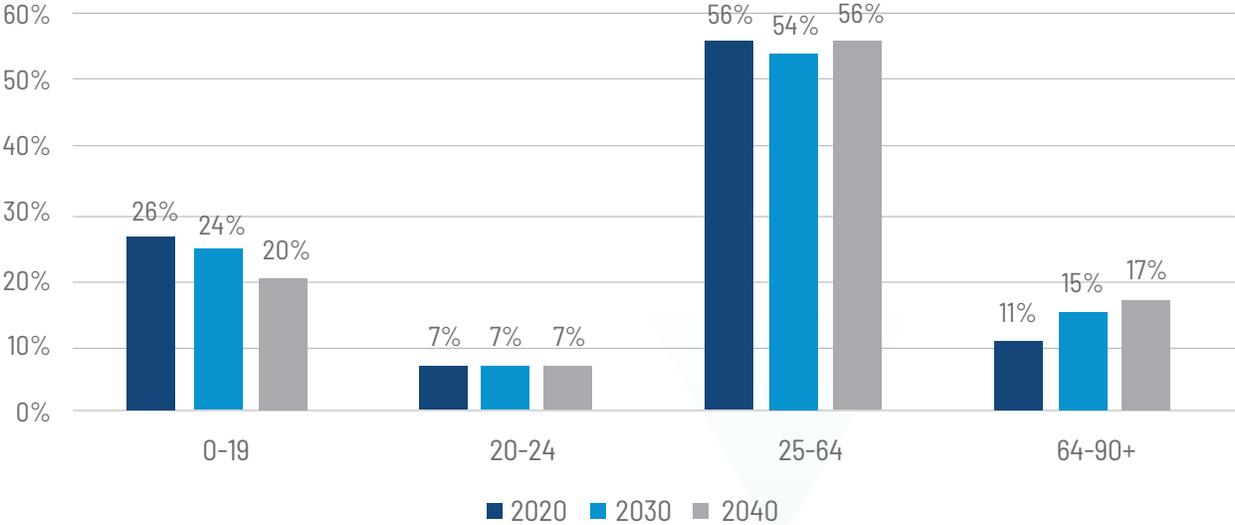
**In the projected population and households indices, the gap between the regional index and provincial index shows the change in growth rates over time.**

**Projected Population Index (2020-2040)**



Between 2020 and 2040 the population is projected to grow at an annual rate of 0.9 per cent, while the number of households is projected to grow by the same rate. The provincial population and number of households are projected to grow by 1.1 per cent annually.

**Projected Age Distribution (2020-2040)**



Source: B.C. Stats, Sub-Provincial Population Estimates and Projections

The population is projected to age, albeit at a slower rate than in other parts of Northern B.C., as the percentage of the population aged 65 and over is projected to rise from 11 per cent in 2020 to 17 per cent by 2040 while the percentage of the population under 19 is projected to decline by a similar amount. As a result, it is anticipated that there will be increased demand for smaller housing units in areas near healthcare and other services for seniors.

## Employment

### Share of Employment by Sector

Employment in the Northeast region is linked to the mining, forestry and oil and gas sectors, which is reflected in the Northeast having the highest percentage of goods- sector employment in Northern B.C. After employment increases in 2018, employment decreased in the Northeast in 2019.

The transportation and warehousing sectors experienced declines in employment in 2019, while the mining and oil and gas sector and professional services sector experienced increased employment levels.

At the onset of COVID-19, the Northeast region experienced pronounced employment declines. Construction employment declined by 56 per cent from February 2020 to June 2020, while employment in the forestry and mining sectors declined by a combined 20 per cent, over the same period.<sup>42</sup> This was linked to workforce reductions at the Site C dam construction site and temporary closures of mills and mines. By October 2020, forestry and mining employment had recovered to pre-pandemic levels but was slightly below October 2019 levels. Construction sector employment remained below pre-pandemic levels in the region.

In the services-sector, employment in accommodation and food services declined by nearly 30 per cent between February 2020 and June 2020.<sup>43</sup> By October 2020, employment levels had modestly recovered but remained significantly below pre-pandemic levels and previous year levels.

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<sup>42</sup> Statistics Canada, Table: 14-10-0091-01

<sup>43</sup> Ibid

## Cost of Living and Affordability

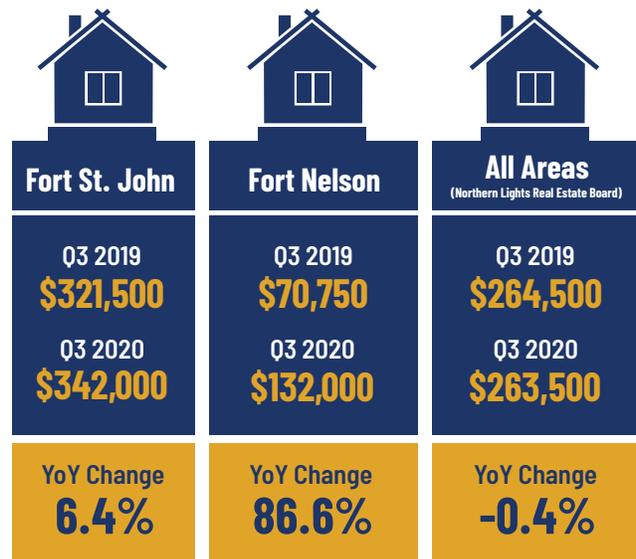
### Median Wages for Select Occupations

	Median Wage
<b>Goods-producing Industries</b>	
Heavy equipment operators (except crane)	\$32.00
Heavy-duty equipment mechanics	\$34.00
Welders and related machine operators	\$28.00
Transport truck drivers	\$30.00
Electricians (except industrial and power system)	\$31.00
Carpenters	\$27.50
Oil and gas drilling, servicing and related labourers	\$24.00
Labourers in wood, pulp and paper processing	\$28.18
Construction trades helpers and labourers	\$22.00
<b>Service Industries</b>	
Registered nurses and registered psychiatric nurses	\$38.44
Elementary school and kindergarten teachers	\$33.65
Administrative assistants	\$20.00
Accounting technicians and bookkeepers	\$22.50
Social and community service workers	\$21.63
Home support workers, housekeepers and related occupations	\$19.23
Retail salespersons	\$14.60
Food and beverage servers	\$14.60
Cashiers	\$14.60
<b>Living Wage - (Dawson Creek, Chetwynd, Tumbler Ridge)</b>	<b>\$18.29</b>

Source: Government of Canada Job Bank and Living Wage Canada

## Median Housing Prices

Median wages in the Northeast are generally in line with other regions in Northern B.C. Median wages in the goods-sector and the majority of occupations in the services-sector are above the living wage of \$18.29, while median wages for those working in food service and retail occupations are below the living wage. Compared with other regions of Northern B.C., wage rates in the Northeast region are higher for truck drivers, construction labourers, and registered nurses.



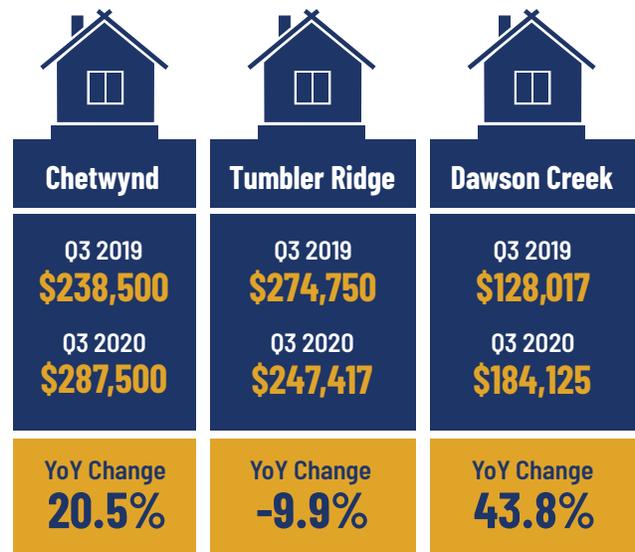
Source: Canadian Real Estate Association and B.C. Real Estate Association

\*Please note median house prices were not available for Chetwynd, Tumbler Ridge or Dawson Creek.

## Average Housing Prices

Housing prices largely increased across the Northeast region for the second straight year in 2020. Prices in the region's economic centre, Fort St. John, edged up in 2020 after declining in 2019. The region continues to be affordable, compared to the much of the rest of the province as the percentage of housing income required for housing costs was approximately 22 per cent in 2019 in Fort St. John.<sup>44</sup>

Similar to the rest of the province, the Northeast region experienced a marked slowdown in real estate sales activity at the onset of COVID-19.<sup>45</sup> Activity resumed in the summer of 2020 and sales volumes surged, as buyers and sellers returned to the market and mortgage rates reached record lows. This has brought January to September sales volumes in Fort St. John even with the same period in 2019.



Source: South Okanagan Real Estate Board

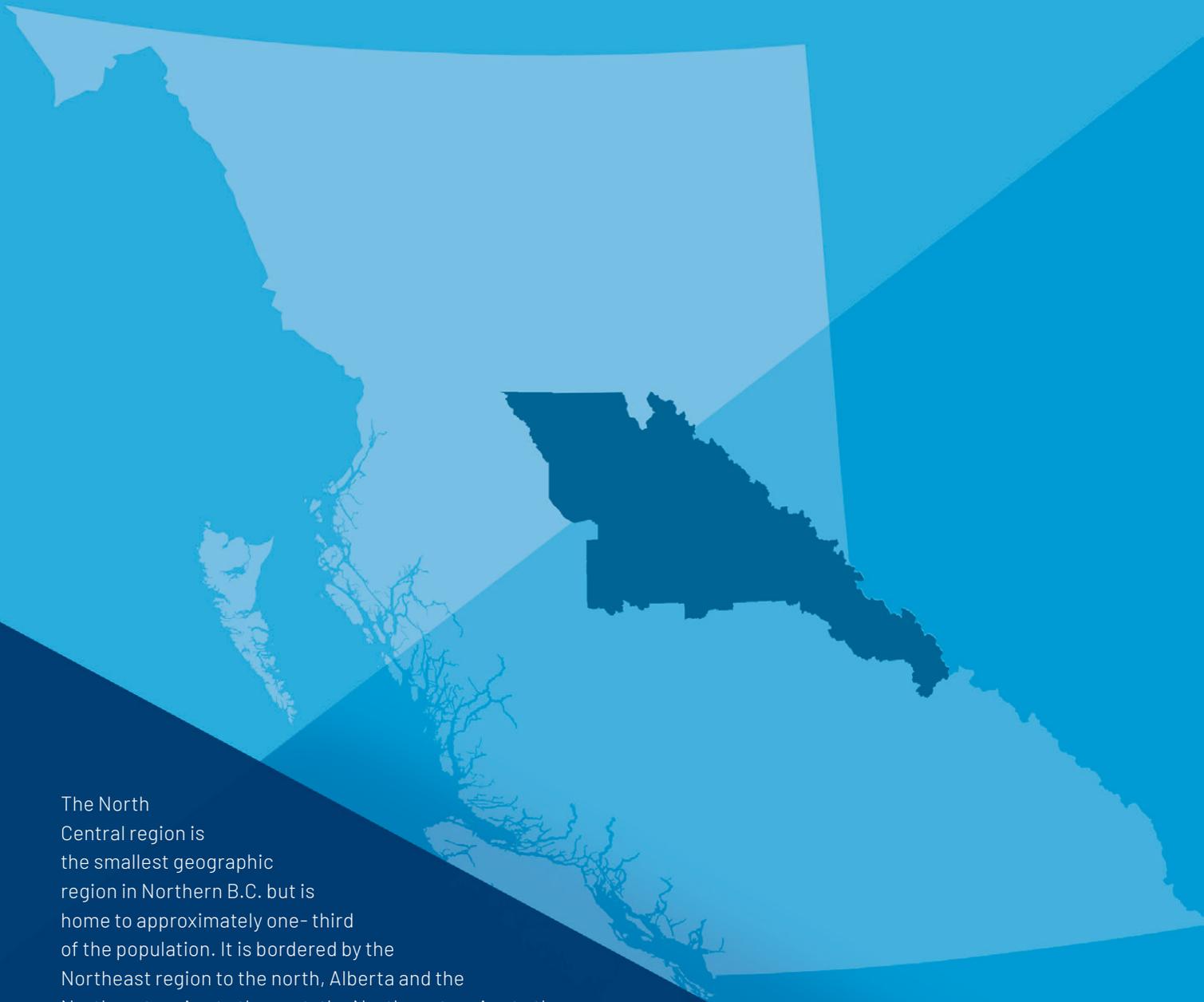
Looking forward, prices are expected to continue on a similar growth path due to construction and mining activities in region.

<sup>44</sup> BC Northern Real Estate Board. Housing Affordability Indicators Northern British Columbia 2019

<sup>45</sup> BC Northern Real Estate Board. Board News Release, July 7, 2020. Available here: <http://bcnreb.bc.ca/board-news-releases-3>

# North Central Region

## Regional Analysis



The North Central region is the smallest geographic region in Northern B.C. but is home to approximately one-third of the population. It is bordered by the Northeast region to the north, Alberta and the Northeast region to the east, the Northwest region to the west and the Cariboo-Chilcotin/Lillooet region to the south. The Regional Districts that comprise the North Central region are the Fraser-Fort George Regional District and part of the Bulkley-Nechako Regional District. The city of Prince George is the region's population centre and is the eighth largest metropolitan area in the province.

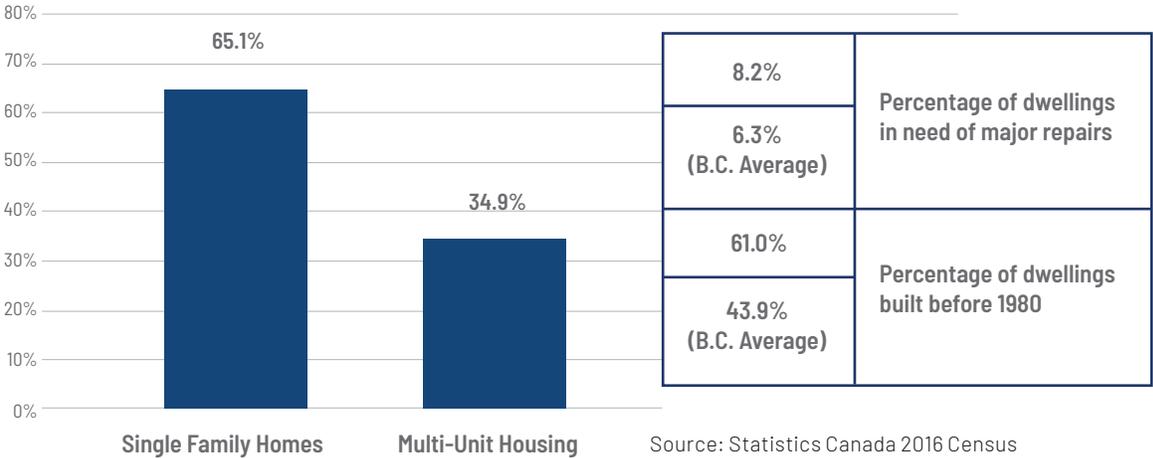
## Population and Housing

### Households by the Numbers (2016-2019)

<b>1,524</b>	Change in population (2019)
<b>1.38%</b>	Annual population growth rate (2016 - 2019)
<b>8.3%</b>	Percentage of migrants to the region from outside of Canada (2019)
<b>2.4</b>	Average household size (2016)
<b>98%</b>	Percentage of homes owned by Canadian residents (2018)
<b>53%</b>	Percentage of households in single family dwellings (2018)
<b>74%</b>	Percentage of households that own their home (2016)
<b>10.2%</b>	Percentage of owners spending more than 30% of their income on shelter (2016)
<b>36.8%</b>	Percentage of renters spending more than 30% of their income on shelter (2016)
<b>2.8%</b>	Rental property vacancy rate (2019)
<b>\$875</b>	Average rental rate for apartments and townhomes (2019)

Source: Statistics Canada 2016 Census, B.C. Stats Population Estimates, Canadian Mortgage and Housing Corporation

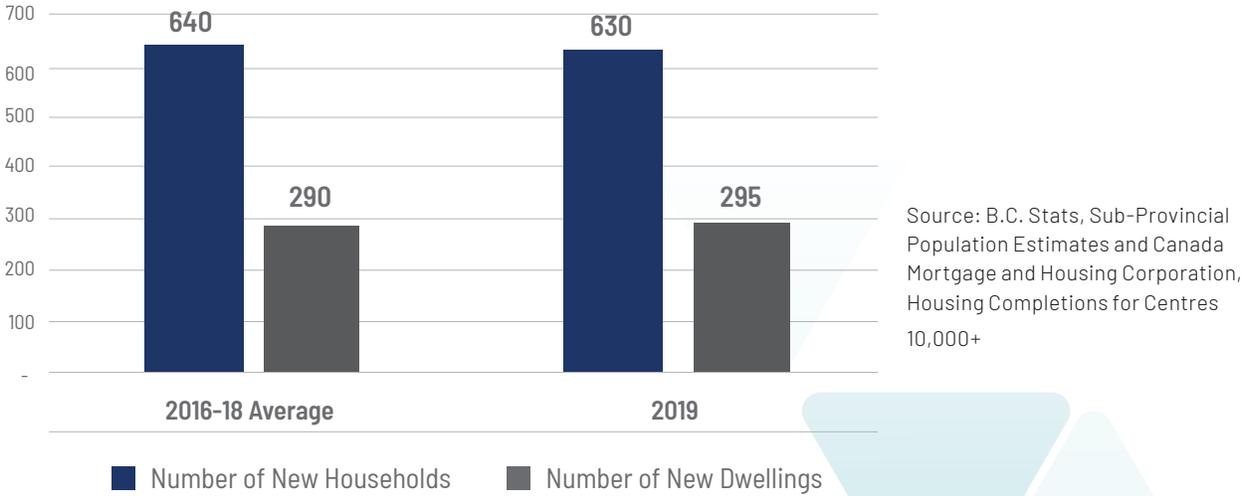
### Housing Stock 2018 – Composition of Housing Stock



Source: Statistics Canada Table 46-10-0018-01 Residency ownership of residential properties by property type and period of construction, provinces of Nova Scotia, Ontario and British Columbia

The percentage of dwellings in need of major repairs is slightly higher than the provincial average and the rate has remained stable since 2011. The age of the housing stock is well above the provincial average. This suggests that there is some need for housing renewal in the region.

### New Households and New Dwellings (2017 - 2019)



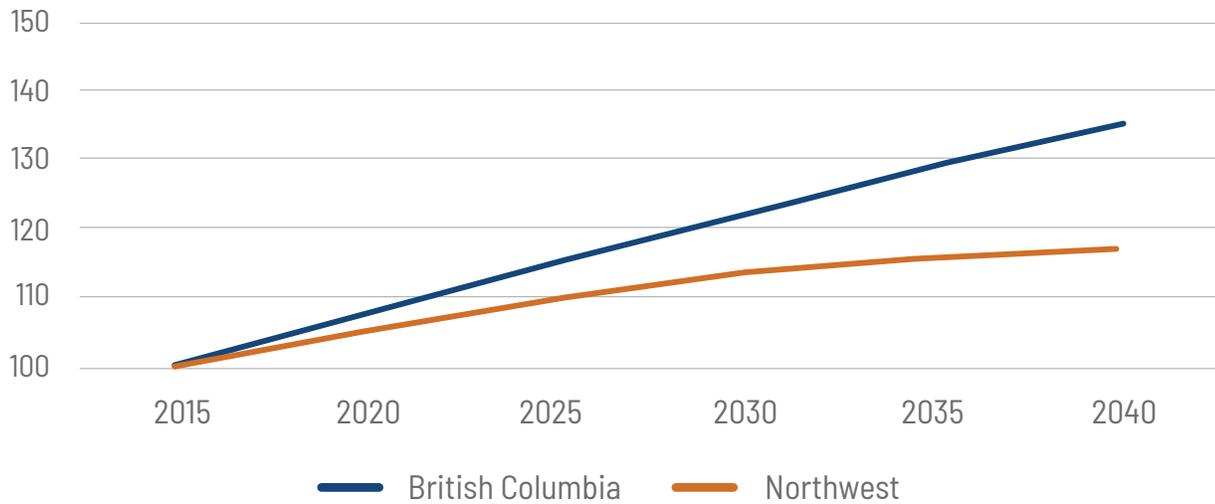
Between 2016 and 2018 the number of new households exceeded the number of new dwellings built and this trend continued in 2019. Of the new dwellings built in 2019, approximately 60 per cent were single-family homes while 40 per cent were apartments. This suggests that demand for new housing in the region will continue.

Non-Market Housing (March 2020)

	Number	Trend
Number of homeless sheltered	407	Stable
Number of units of transitional supported and assisted living	469	Stable
Low income families	529	Stable
Low income seniors	368	Stable
Rental assistance in private market	605	Stable

Source: B.C. Housing, Research and Corporate Planning Dept

Projected Number of Households Index (2020-2040)

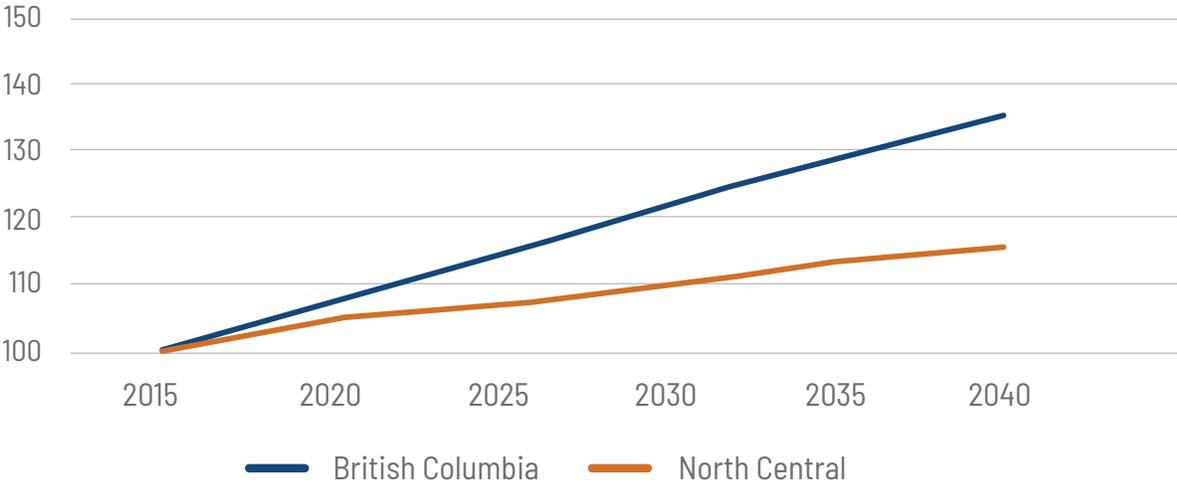


Source: B.C. Stats, Sub-Provincial Population Estimates and Projections

*An **Index** is a series of data that represent changes over time relative to the first value in the series. The first time period is referred to as the “base year” and is usually set to 100 to allow for simplified comparisons.*

*In the projected population and households indices, the gap between the regional index and provincial index shows the change in growth rates over time.*

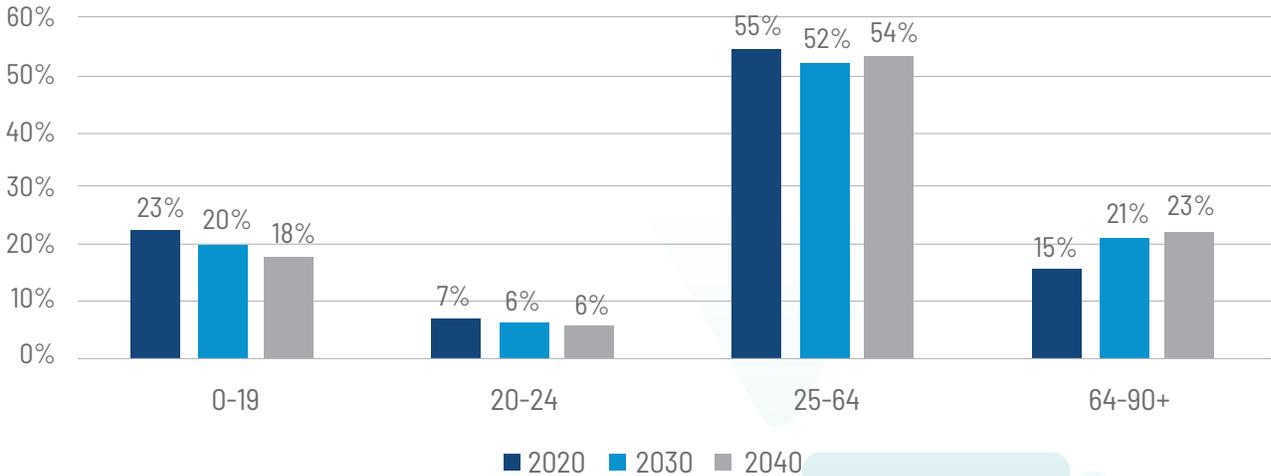
**Projected Population Index (2020-2040)**



Source: B.C. Stats, Sub-Provincial Population Estimates and Projections

Between 2020 and 2040 the population is projected to grow at an annual rate of 0.6 per cent, while the number of households is projected to grow by 0.6 per cent. The provincial population and number of households are projected to grow by 1.1 per cent annually.

**Projected Age Distribution (2020-2040)**



Source: B.C. Stats, Sub-Provincial Population Estimates and Projections

The population is projected to age, with the percentage of the population aged 65 and over rising from 15 per cent to 23 per cent by 2040, while the population under 19 is projected to decline by a similar percentage. This suggests that there will be increased demand for smaller housing units such as condominiums, row houses and semi-detached units in areas near healthcare services for seniors.

## Employment

The North Central region has the most diverse economy in Northern B.C., due to the presence of the region's major city, Prince George, which is home to the University of Northern British Columbia, the University Hospital of Northern British Columbia and professional services firms.

While data was not available by industry for the North Central region, employment levels in Prince George remained stable in 2019, while communities surrounding Prince George, that are reliant on the forest sector, experienced declines.

The Cariboo development region, which includes Prince George and most of the North Central region, was least affected by employment declines in 2020 due to COVID-19. This is likely due to Prince George's relatively diverse economy and tourism being a relatively small component of the economy.



## Cost of Living and Affordability

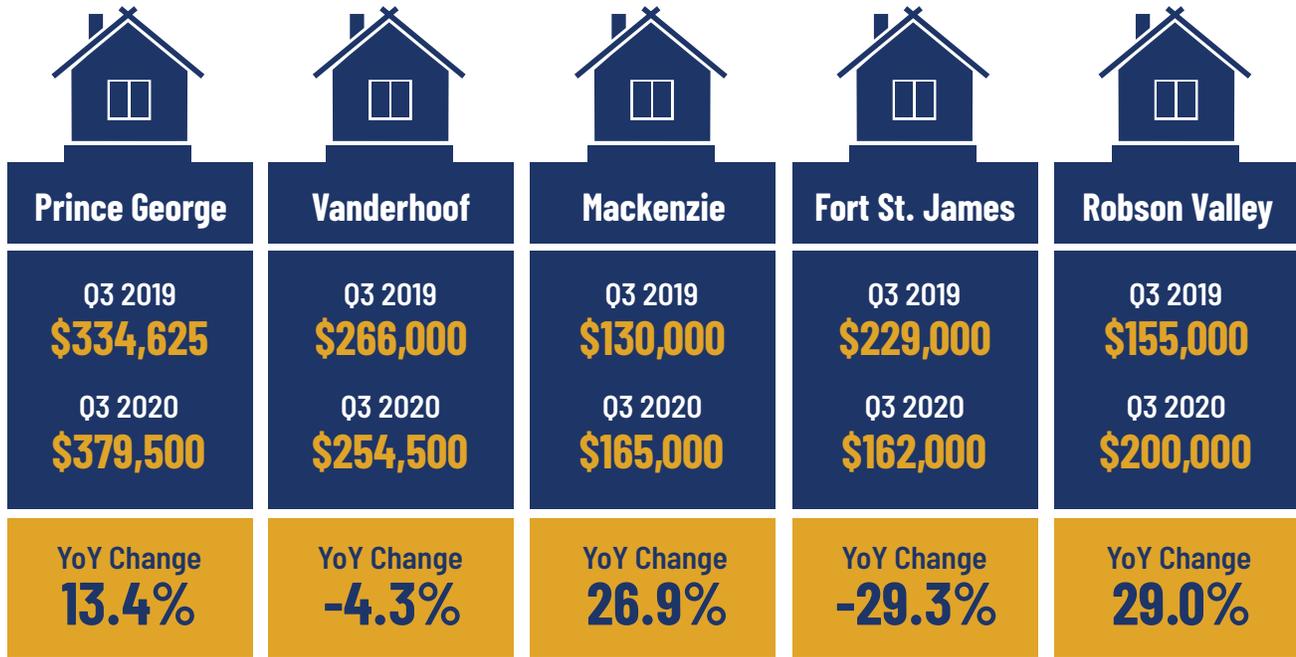
### Median Wages for Select Occupations

	Median Wage
<b>Goods-producing Industries</b>	
Welders and related machine operators	\$35.00
Heavy-duty equipment mechanics	\$33.00
Transport truck drivers	\$26.00
Heavy equipment operators (except crane)	\$30.00
Electricians (except industrial and power system)	\$31.00
Carpenters	\$25.00
Labourers in wood, pulp and paper processing	\$29.00
Construction trades helpers and labourers	\$17.00
Sliviculture and forestry workers	\$20.40
<b>Service Industries</b>	
Registered nurses and registered psychiatric nurses	\$37.00
Elementary school and kindergarten teachers	\$31.79
Administrative assistants	\$23.40
Accounting technicians and bookkeepers	\$23.74
Social and community service workers	\$20.00
Home support workers, housekeepers and related occupations	\$17.85
Retail salespersons	\$14.60
Food and beverage servers	\$14.60
Cashiers	\$14.60
<b>Living Wage - (Prince George)</b>	<b>\$14.03</b>

Source: Government of Canada Job Bank and Living Wage Canada

Median wages in the North Central region are comparable to other regions in Northern B.C. Median wages for the food service and retail sectors are still below the living wage in the region. Compared with other regions in Northern B.C., median wages for the selected occupations are within the wage ranges of the other regions.

Median Housing Prices



Source: Canadian Real Estate Association and BC Real Estate Association

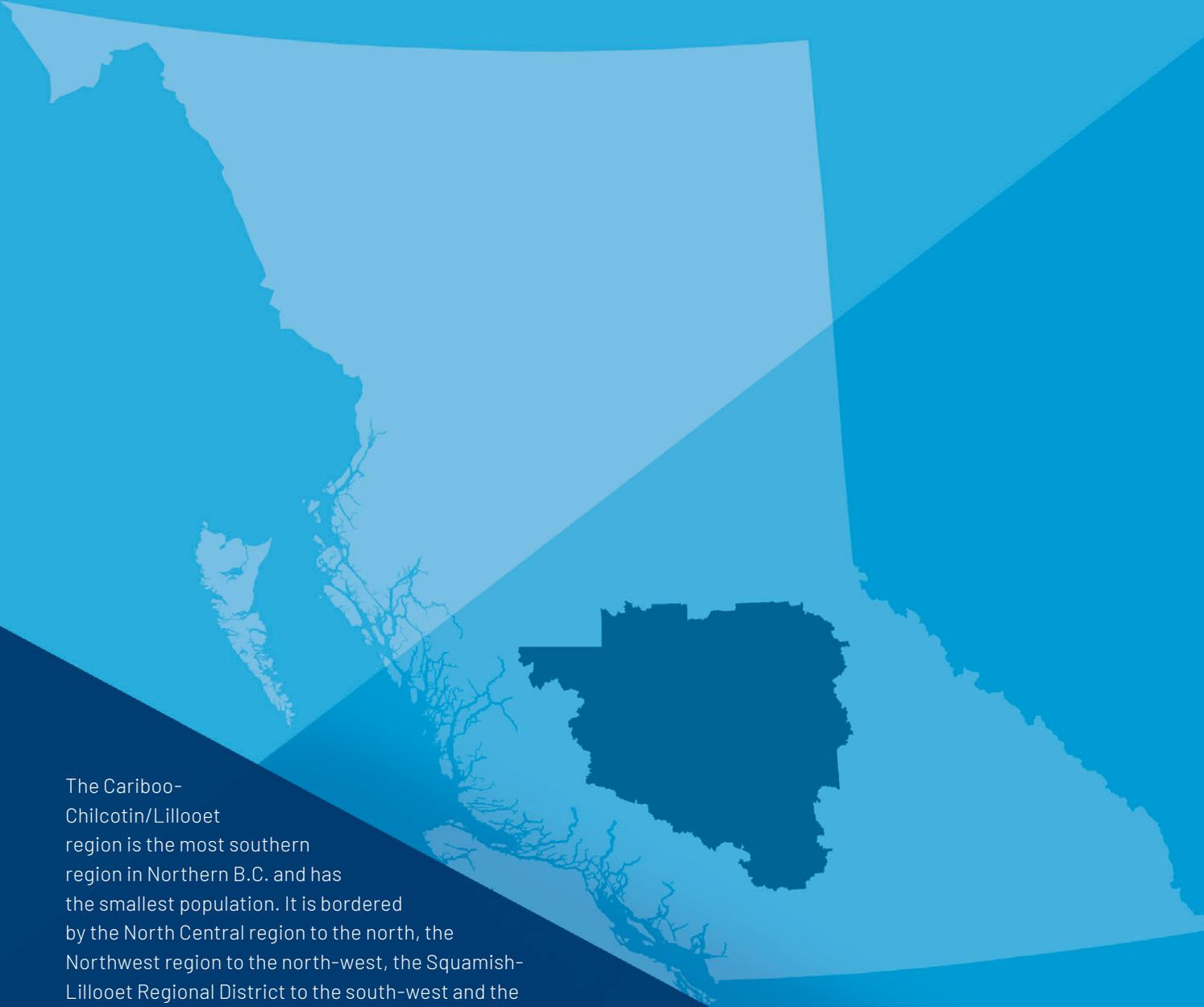
Housing prices continued on a strong growth path in Prince George in the first nine months of 2020, while prices fluctuated in other communities. It is important to note that changes in prices in smaller regions may reflect changes in the mix of properties sold (e.g., one higher-value property), not changes in the market. Affordability remains relatively favourable in Prince George, as the percentage of income required for housing costs edged up to 31 per cent in 2019.

At the onset of COVID-19, sales volumes declined substantially, as the number of units sold in the first half of 2020 was down nearly 30 per cent year-over-year in Prince George. As activity resumed in the third quarter of 2020, sales volumes have nearly returned to their historical levels.

Demand for housing in Prince George is expected to continue to be strong, as the city’s population grows while housing demand in the surrounding communities will likely remain linked to the health of the forest sector.

# Cariboo-Chilcotin / Lillooet

## Regional Analysis



The Cariboo-Chilcotin/Lillooet region is the most southern region in Northern B.C. and has the smallest population. It is bordered by the North Central region to the north, the Northwest region to the north-west, the Squamish-Lillooet Regional District to the south-west and the Thompson-Nicola Regional District to the south and east. It is comprised of the Cariboo Regional District and parts of the Thompson Nicola and Squamish-Lillooet Regional Districts (Lillooet, Lytton, Logan Lake, Cache Creek, Ashcroft and Clinton). Williams Lake is the largest population centre in the region, followed by Quesnel.

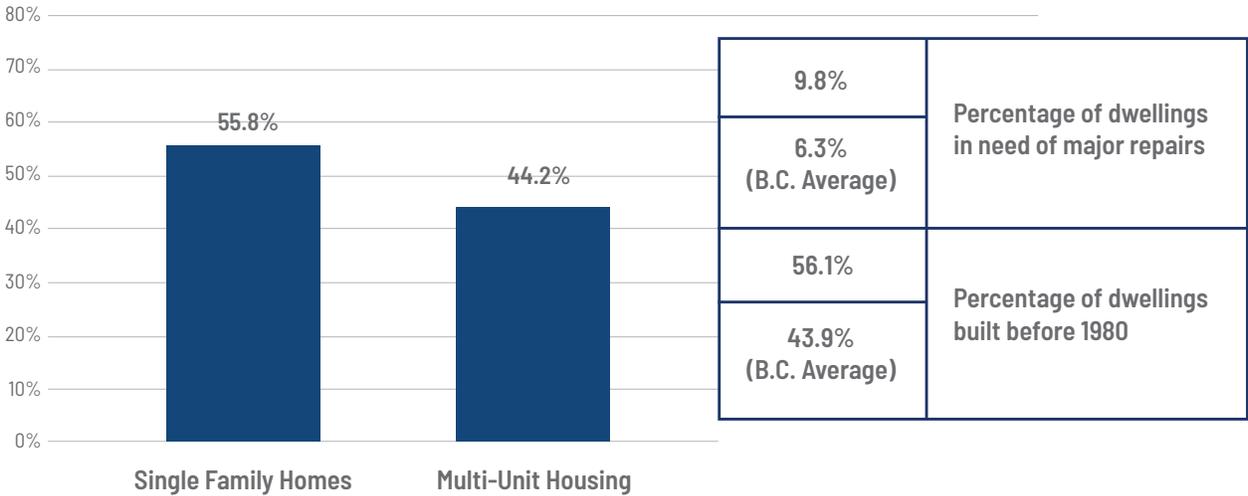
## Population and Housing

### Households by the Numbers (2016-2019)

<b>291</b>	Change in population (2019)
<b>0.53%</b>	Annual population growth rate (2016 - 2019)
<b>2.8%</b>	Percentage of migrants to the region from outside of Canada (2019)
<b>2.3</b>	Average household size (2016)
<b>97%</b>	Percentage of homes owned by Canadian residents (2018)
<b>54%</b>	Percentage of households in single family dwellings (2018)
<b>78%</b>	Percentage of households that own their home (2016)
<b>10%</b>	Percentage of owners spending more than 30% of their income on shelter (2016)
<b>35.6%</b>	Percentage of renters spending more than 30% of their income on shelter (2016)
<b>4.1%</b>	Rental property vacancy rate (2019)
<b>\$675-\$850</b>	Average rental rate for apartments and townhomes (2019)

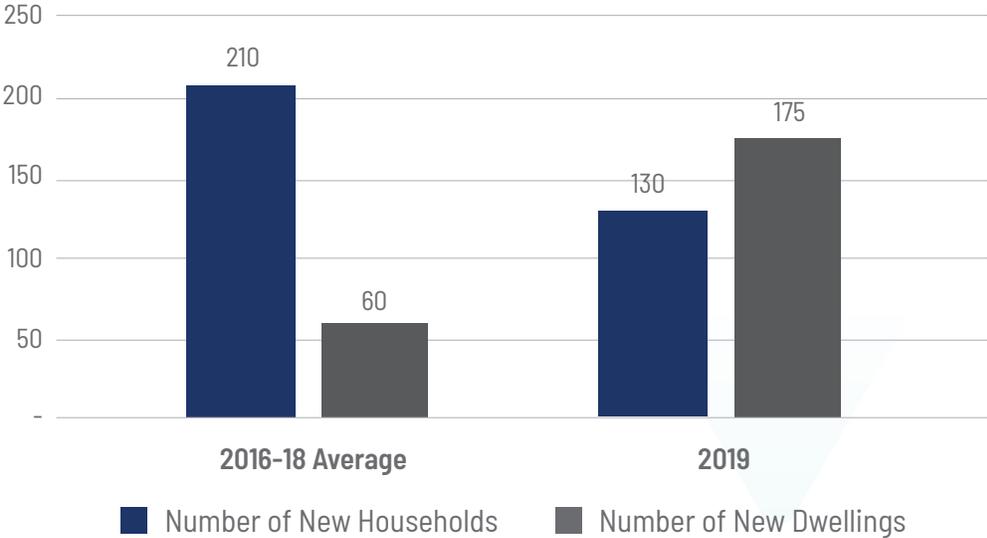
Source: Statistics Canada 2016 Census, B.C. Stats Population Estimates, Canadian Mortgage and Housing Corporation

### Housing Stock 2018 – Composition of Housing Stock



Source: Statistics Canada Table 46-10-0018-01 Residency ownership of residential properties by property type and period of construction, provinces of Nova Scotia, Ontario and British Columbia

### New Households and New Dwellings (2017 - 2019)



Source: B.C. Stats, Sub-Provincial Population Estimates and Canada Mortgage and Housing Corporation, Housing Completions for Centres 10,000+

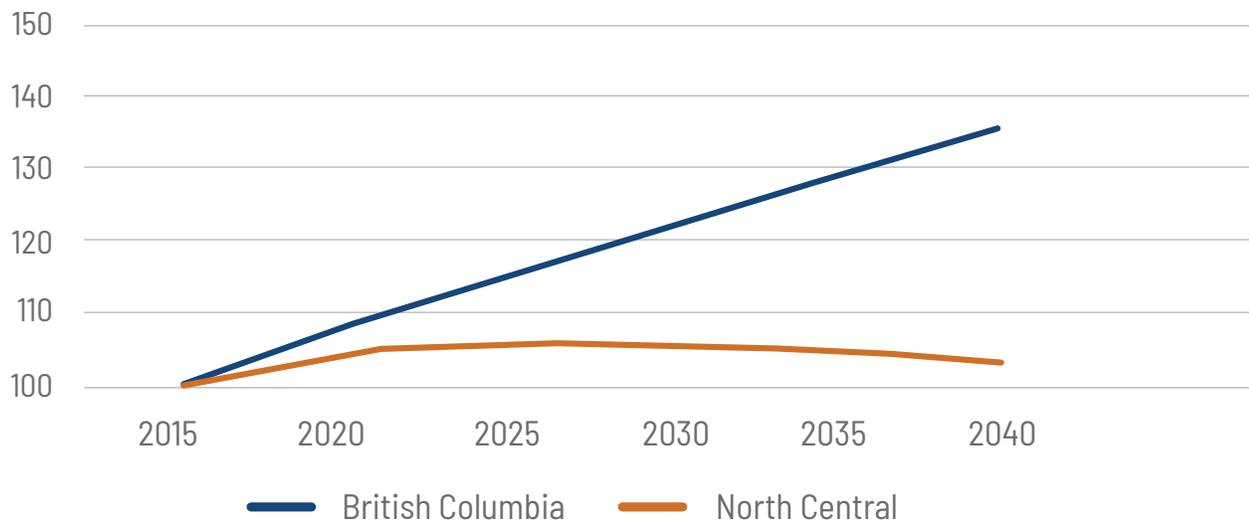
Between 2016 and 2018 the number of households exceeded the number of new dwellings, while in 2019 this trend reversed and new home construction outpaced household growth. The change in 2019 may be related to rebuilding after the wildfires of 2017 and 2018 destroyed a portion of the housing stock. Of the new dwellings built in 2019, 65 per cent were apartments while 35 per cent were single-family homes.

Non-Market Housing (March 2020)

	Number	Trend
Number of homeless sheltered	151	Stable
Number of units of transitional supported and assisted living	184	Stable
Low income families	208	Growing
Low income seniors	188	Stable
Rental assistance in private market	298	Growing

Source: B.C. Housing, Research and Corporate Planning Dept

Projected Number of Households Index (2020-2040)

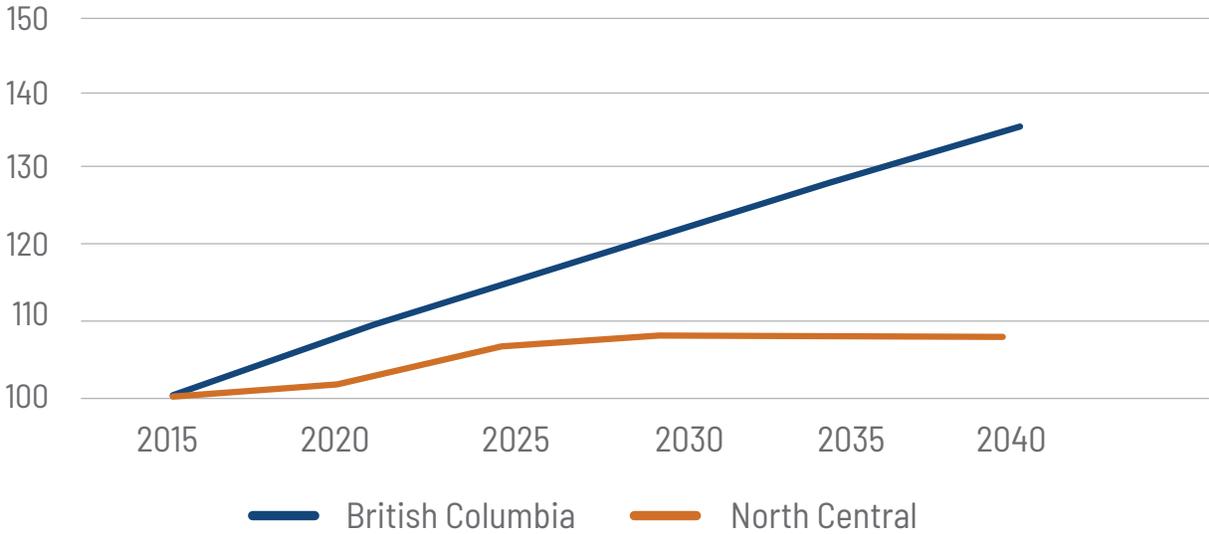


Source: B.C. Stats, Sub-Provincial Population Estimates and Projections

*An **Index** is a series of data that represent changes over time relative to the first value in the series. The first time period is referred to as the “base year” and is usually set to 100 to allow for simplified comparisons.*

*In the projected population and households indices, the gap between the regional index and provincial index shows the change in growth rates over time.*

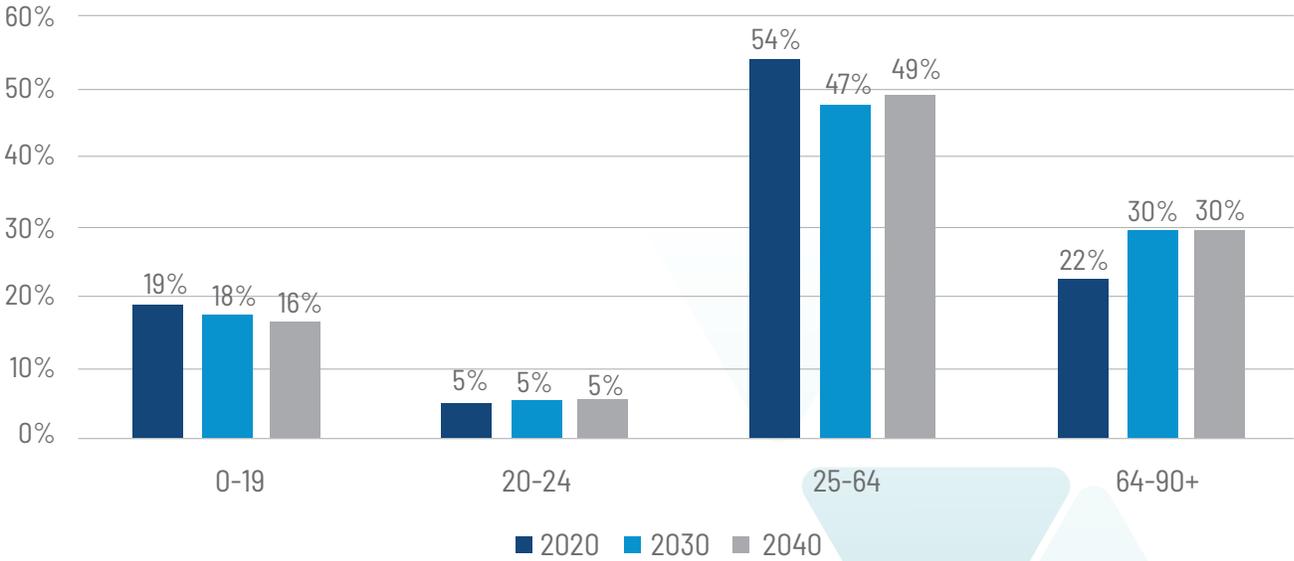
**Projected Population Index (2020-2040)**



Source: B.C. Stats, Sub-Provincial Population Estimates and Projections

Between 2020 and 2040 the population and number of households are projected to remain stable. The provincial population and number of households are projected to grow at 1.1 per cent annually.

**Projected Age Distribution (2020-2040)**



Source: B.C. Stats, Sub-Provincial Population Estimates and Projections

The population is projected to age at the fastest rate in Northern B.C., with the percentage of the population aged 65 and over rising from 23 per cent to 31 per cent by 2040. This suggests that there will be increased demand for smaller housing units in areas near healthcare facilities and other services for seniors.

## Employment

Employment in the Cariboo-Chilcotin/Lillooet region is heavily dependent on agriculture, forestry and mining. The region was significantly impacted by wildfires in 2017 and 2018 and by forest sector mill closures and curtailments in 2019. Consequently, employment in the manufacturing sector declined significantly in 2019.

In 2020, the Cariboo-Chilcotin/Lillooet region was among the least affected by COVID-19 as the region does not have any major infrastructure projects that were shut down at the onset of the pandemic. Forestry and mining employment in the region declined in March and April but increased to above February 2020 levels by October 2020.



## Cost of Living and Affordability

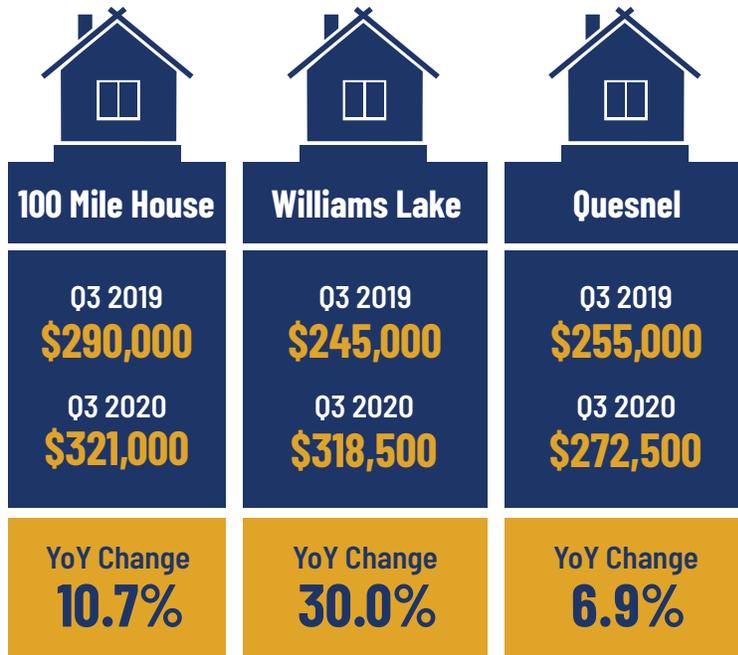
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Food and beverage servers	\$14.60
<b>Living Wage - (Quesnel)</b>	<b>\$14.03</b>
<b>Living Wage - (Williams Lake)</b>	<b>\$15.77</b>

Source: Government of Canada Job Bank and Living Wage Canada

Median wages in the Cariboo-Chilcotin/Lillooet region are generally lower than other regions in Northern B.C. The living wage is \$15.77 in Williams Lake and \$14.03 in Quesnel. Median wages for goods-sector employees and most services-sector employees are above the living wage, while median wages for employees in the food service and retail sectors are below the living wage. Registered nurses, teachers and social workers all receive a lower wage than in other regions in Northern B.C.

Median Housing Prices



Source: Canadian Real Estate Association and BC Real Estate Association

Housing prices rose in the Cariboo-Chilcotin/Lillooet region, led by a 30 per cent year-over-year gain in Williams Lake through September 2020. This is likely linked to a steady increase in migration to the region from other parts of B.C. since 2015. In both Quesnel and 100 Mile House, housing prices increased in the first nine months of 2020, compared to the same period in 2019.

While sales volumes declined across the region at the onset of the pandemic, the Cariboo-Chilcotin-Lillooet region did not experience the same levels of reduced sales activity as other parts of Northern B.C.

Subsequently, the region also did not experience the same uptick in activity in Q3 2020. Sales volumes were flat year-over-year in Quesnel and 100 Mile House in Q2 2020, while they edged down in Williams Lake. In Q3 2020, sales volumes increased in 100 Mile House, and were down year-over-year in both Quesnel and Williams Lake. Moving forward, housing prices will depend on population levels and whether migration to the region from the rest of B.C. continues to rise.





Economics and Research  
c/o  
Suite 800, 299 Victoria Street  
Prince George, BC  
V2L 5B8



301 - 1268 Fifth Avenue  
Prince George, B.C. V2L 3L2  
[northerndevelopment.bc.ca](http://northerndevelopment.bc.ca)  
250-561-2525