



Economic Development Update Q1 2018

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators to the city's economy. The Q1 2018 update covers the months of January, February, and March 2018. This report will be available on a quarterly basis on Ottawa.ca and via an [email subscription](#).

New and Noteworthy in Q2 2018: April, May, and June 2018

- **Ottawa autonomous vehicle testing site:** In May 2018, it was announced that Ottawa would receive up to \$5 million from the Ontario government to further the city's work in autonomous vehicle testing. The funding, which will be allotted to Invest Ottawa, comes from the Ontario Centres of Excellence's Autonomous Vehicles Innovation Network (AVIN) program.
- **Ottawa Music Strategy:** In April 2018, City Council approved the Ottawa Music Strategy, a three-year plan to support the growth of Ottawa's emerging music industry and establish Ottawa as a global music city. For more information on the Ottawa Music Strategy, please visit [Ottawa.ca](#).
- **Ottawa 2017 final report:** The final report on Ottawa 2017 was released in June 2018. By the end of December 2017, 18 major programs offerings occurred, including signature events such as Agri 150, Ignite 150, Red Bull Crashed Ice, Kontinuum, Picnic on the Bridge, La Machine, Ottawa Welcomes the World, and many more. By the end of December 2017, 107 events were held throughout the city's 23 wards. In 2017, more than 11 million visitors came to Ottawa, an increase of 8.8 per cent from 2016, and total direct visitor spending increased 10.3 per cent, or by approximately \$225 million. For more information on the Ottawa 2017 final update on sponsorships, partnerships, programs, pageantry and expected legacy events, please visit [Ottawa.ca](#).



What Happened in Q1 2018: January, February, and March 2018

- **2018 Ottawa Welcome Event for International Students:** In March 2018, the City of Ottawa hosted a Welcome Event, along with post-secondary institutions and many community partners, for more than 200 international students. The event provides a forum to help foreign students gather information that will facilitate their successful integration in Ottawa, ultimately encouraging them to stay or become “ambassadors” for the city, after graduation. The event featured workshops, an information fair, as well as entertainment and networking.
- **Ottawa Macdonald-Cartier International Airport:** In March 2018, City Council determined that the retail businesses located within the Ottawa Macdonald-Cartier International Airport are tourism-dependent and contribute to the maintenance and development of tourism in the City of Ottawa, exempting the airport from the mandatory holiday closure provisions. This exemption will allow retail businesses within the airport’s passenger terminal to open during holidays.
- **Ottawa Markets:** Based on a detailed review of various governance options, Ottawa City Council approved the establishment of a new Municipal Services Corporation (MSC) for the Marches d’Ottawa Markets. The MSC, led by a new Chair and a volunteer Board of Directors, assumed responsibility for the management and operations of the ByWard and Parkdale Markets on January 1, 2018. The new MSC will focus on strengthening and expanding the ByWard Market as an authentic destination through reinvesting and redesigning the core spaces and expanding the outdoor and indoor food retail opportunities.

Snapshot

	Q1-2017	Q4-2017	Q1-2018	Status Compared to Q1-2017
Employed Labour Force	551,700	543,100	552,600	Positive ✓
Unemployment Rate	5.3%	5.8%	5.2%	Positive ✓
Participation Rate	69.1%	67.4%	67.7%	Negative ✗
Housing Starts	1,331	2,195	893	Negative ✗
Average Resale Price	\$411,348	\$424,647	\$438,256	Positive ✓
Resale Units Sold	2,496	2,493	2,570	Positive ✓
Population	N/A	979,173	N/A	Neutral ○
Inflation	1.8%	1.5%	2.2%	Positive ✓
Average Weekly Earning	\$1,086	\$1,136	\$1,123	Positive ✓
Construction Permit Value	\$496,562	\$672,395	\$660,721	Positive ✓
Office Vacancy Rate	12.0%	11.4%	10.4%	Positive ✓
Retail Vacancy Rate	N/A	5.5%	N//A	Neutral ○
Industrial Vacancy Rate	7.4%	6.3%	5.3%	Positive ✓

Please refer to individual tables below for more details.

Labour Force

Labour Force, Seasonally Adjusted, 3-Month Moving Average

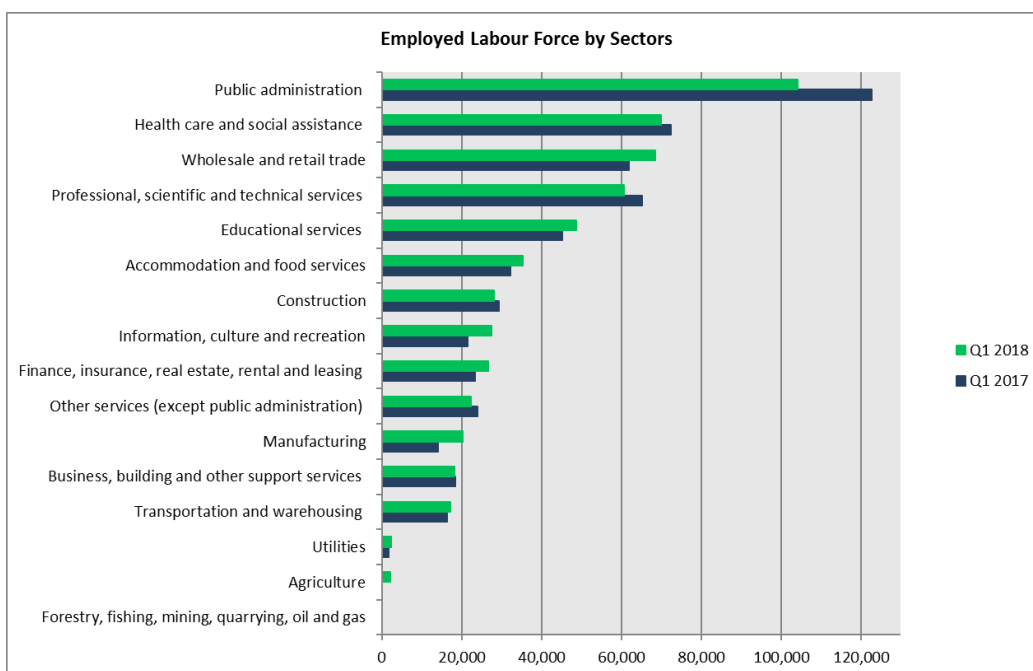
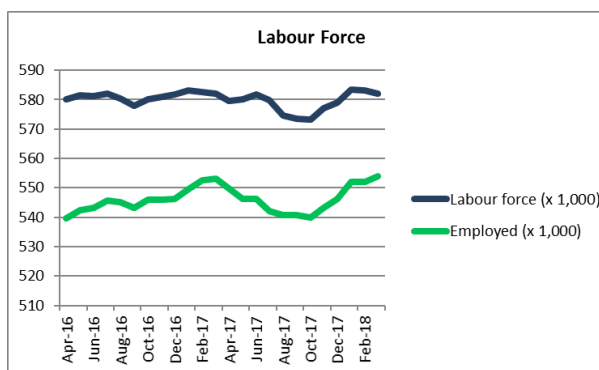
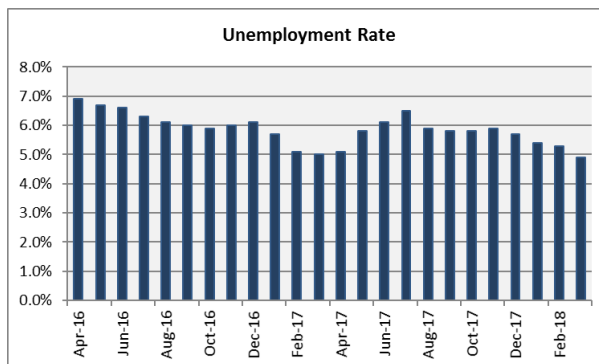
Source: Statistics Canada, CANSIM 282-0135

Ottawa, CMA (ON pt.)	Q1-17	Q4-17	Q1-18
Labour Force*	582.5	576.5	582.8
Employed*	551.7	543.1	552.6
Unemployed*	30.8	33.3	30.3
Unemployment Rate	5.3%	5.8%	5.2%
Participation Rate	69.1%	67.4%	67.7%

*(x 1,000)

Employed residents (0.2%) and labour force (0.1%) both increased slightly over the past year. The unemployment rate decreased 0.1% in Q1 2018 from Q1 2017. The Manufacturing, Utilities, and Information, Culture and Recreation sectors all saw the largest increase in Q1 2018 from Q1 2017, with the Public Administration sector experiencing the largest decrease.

Ottawa, CMA (ON pt.)	YTD-17	YTD-18
Unemployment Rate	5.3%	5.2%
Participation Rate	69.1%	67.7%



Housing

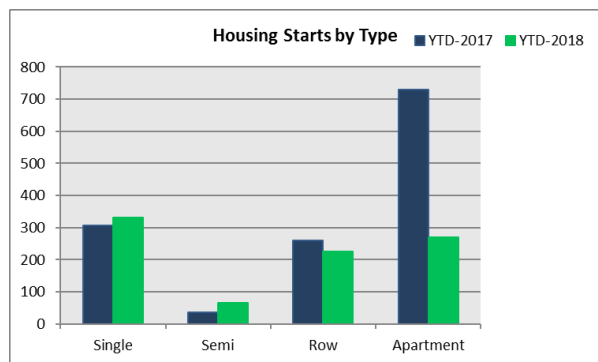
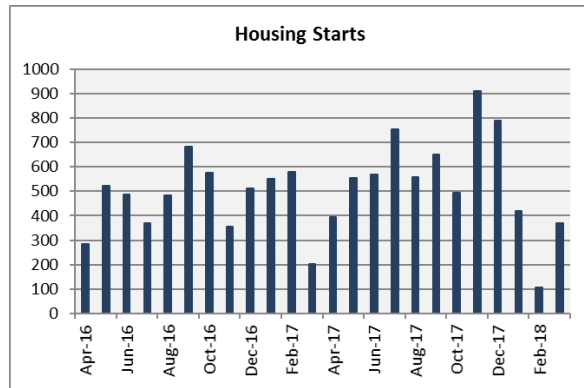
Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q1-17	Q4-17	Q1-18
Housing Starts	1,331	2,195	893
Single	306	665	331
Semi	36	106	66
Row	259	608	225
Apartment	730	816	271

Housing starts decreased 32.9% in Q1 2018 from Q1 2017. While singles and semi units increased in Q1 2018 from Q1 2017, apartments saw the largest decrease of 62.9%.

Ottawa, City	YTD-17	YTD-18
Housing Starts	1,331	893
Single	306	331
Semi	36	66
Row	259	225
Apartment	730	271



Housing Sales

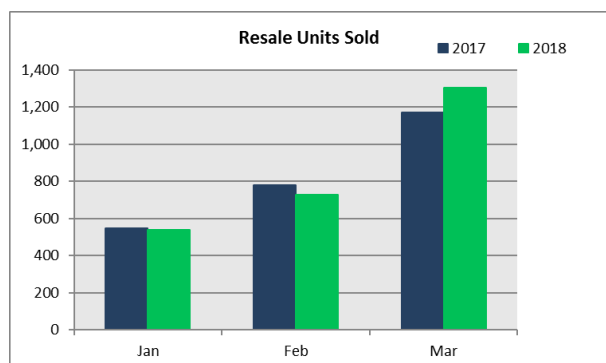
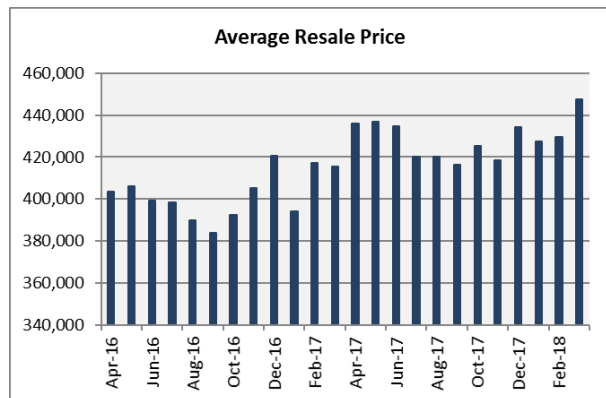
Source: Ottawa Real Estate Board

Ottawa, City*	Q1-17	Q4-17	Q1-18
Average Resale Price	\$411,348	\$424,647	\$438,256
Resale Units Sold	2,496	2,493	2,570

A total of 2,570 units were sold through the MLS system in Q1 2018, a 3.0% increase from Q1 2017. The average resale price increased 6.5% to reach \$438,256 in Q1 2018 from the previous year.

Ottawa, City*	YTD-17	YTD-18
Average Resale Price	\$411,348	\$438,256
Resale Units Sold	2,496	2,570

* Includes City of Ottawa and surrounding areas where OREB members sold properties (i.e. Carleton Place, Kemptville, Clarence-Rockland, etc.)



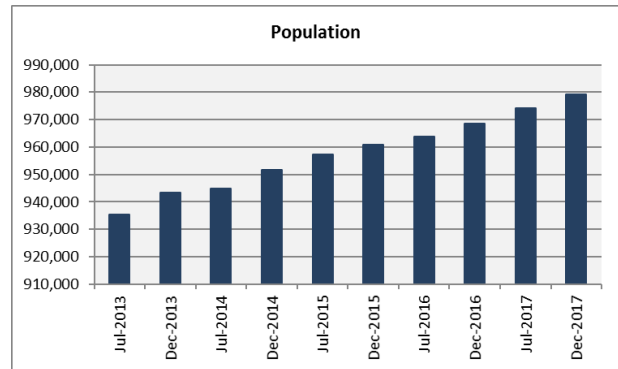
Population

Source: City of Ottawa estimate*

Ottawa, City	Q4-16	Q2-17	Q4-17
Population	968,580	974,191	979,173

*Population estimate reported twice a year

The City of Ottawa population increased by 1.1% over the past year to reach 979,173. Over the long term, the City's population is projected to reach the one million mark in 2019-2020.

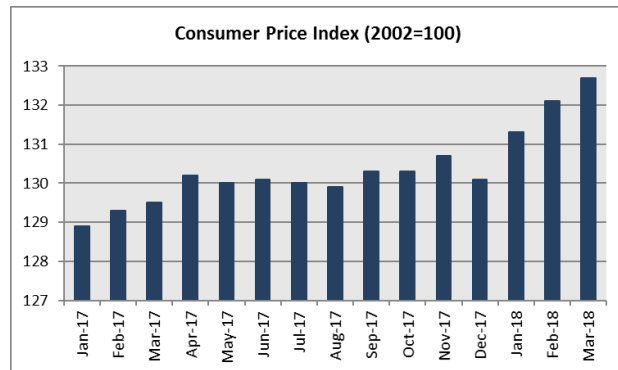


Consumer Price Index (2002=100)

Source: Statistics Canada, CANSIM 326-0020

Ottawa, CMA (ON pt.)	Q1-17	Q4-17	Q1-18
Consumer Price Index	129.2	130.4	132.0
Inflation	1.8%	1.5%	2.2%

The Consumer Price Index saw a slight increase at 132.0 in Q1 2018, up 2.2% from Q1 2017. Inflation increased 0.7% from the previous quarter, and 0.4% from Q1 2017.

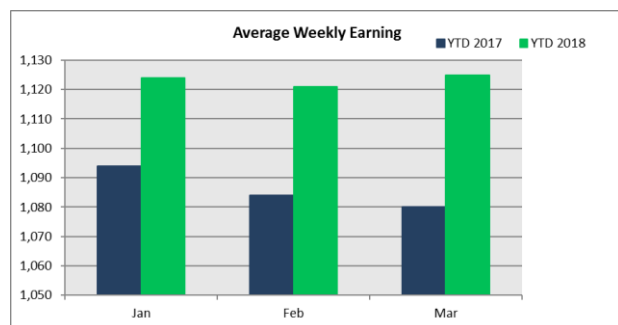


Average Weekly Earning

Source: CMHC Housing Now Report

Ottawa, CMA (ON pt.)	Q1-17	Q4-17	Q1-18
Avg. Weekly Earning	\$1,086	\$1,136	\$1,123

The average weekly earning increased 3.4% in Q1 2018 from Q1 2017. In comparison to the previous quarter, Q1 2018 had a decrease of 1.1%.



Economy

Construction Permits, Seasonally Adjusted

Source: Statistics Canada, CANSIM 026-0006

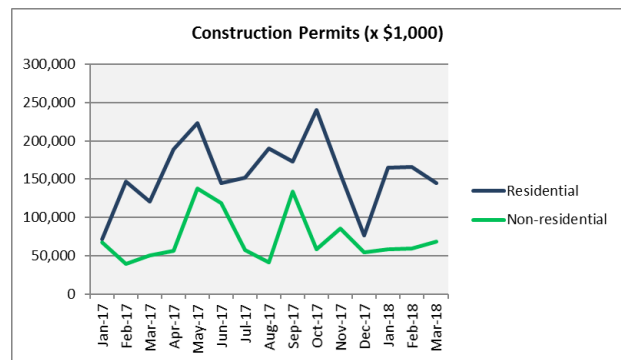
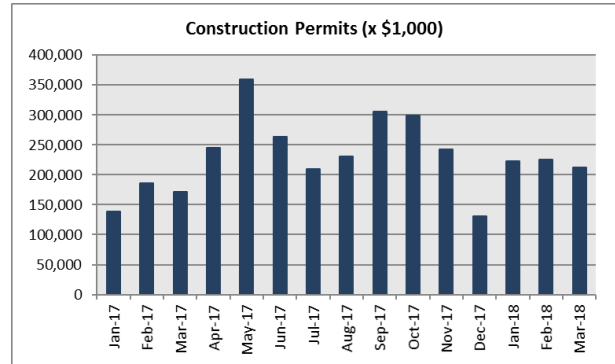
Ottawa, CMA (ON pt.)	Q1-17	Q4-17	Q1-18
Total Permits	\$496,562	\$672,395	\$660,721
Residential	\$339,584	\$472,878	\$474,674
Non-residential	\$156,978	\$199,517	\$186,047

(x \$1,000)

Total construction permits increased by 33.1% in Q1 2018 from Q1 2017. Residential permits increased 39.8% and non-residential permits recorded an 18.5% increase. Compared to the previous quarter, construction permits decreased 1.7%, led by a decrease of 6.8% in non-residential permits while residential permits increased slightly by 0.4%.

Ottawa, CMA (ON pt.)	YTD-17	YTD-18
Total Permits	\$496,562	\$660,721
Residential	\$339,584	\$474,674
Non-residential	\$156,978	\$186,047

(x \$1,000)

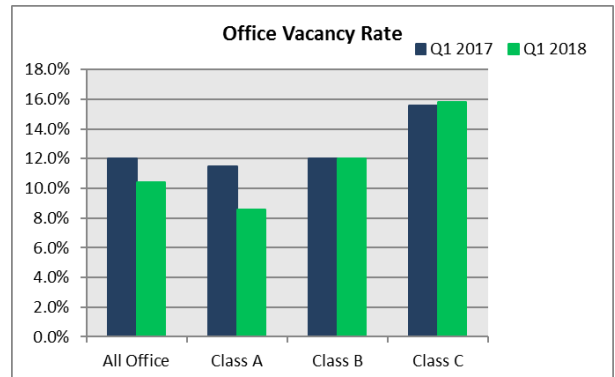


Office Vacancy Rate

Source: Colliers International, Ottawa Office Market Report

Ottawa, City	Q1-17	Q4-17	Q1-18
All Office	12.0%	11.4%	10.4%
Class A	11.5%	9.6%	8.6%
Class B	12.0%	13.1%	12.0%
Class C	15.6%	17.3%	15.8%

The City's office vacancy rate decreased 1.6% in Q1 2018 from Q1 2017. This decrease is a result from Class A buildings which saw a decrease of 2.9%. Class B buildings stayed steady, while Class C buildings saw an increase of 0.2% in vacancy in Q1 2018 from Q1 2017.



Economy

Retail and Industrial Vacancy Rates*

Source: Cushman & Wakefield, Retail and Industrial Report

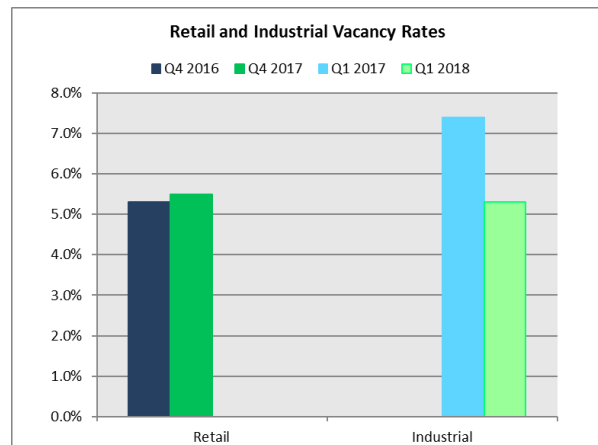
Ottawa, City	Q1-17	Q4-17	Q1-18
Retail Vacancy Rate	5.3%	5.5%	N/A

* Retail is reported twice a year.

Retail vacancy rate is not released for the first quarter. At the end of 2017, the retail vacancy rate was 5.5%.

Ottawa, City	Q1-17	Q4-17	Q1-18
Ind. Vacancy Rate	7.4%	6.3%	5.3%

Industrial vacancy rate decreased 2.1% year-over-year, to sit at 5.3% in Q1 2018.



Retail Vacancy by Format*

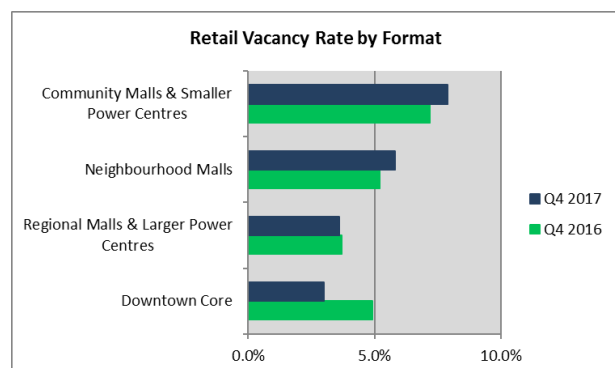
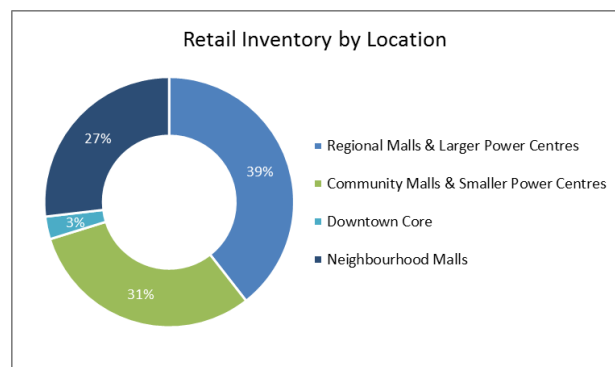
Source: Cushman & Wakefield, Retail and Industrial Report

Ottawa, City	Q4-16	Q2-17	Q4-17
Regional Malls & Larger Power Centres	3.7%	N/A	3.6%
Community Malls & Smaller Power Centres	7.2%	N/A	7.9%
Downtown Core	4.9%	N/A	3.0%
Neighbourhood Malls	5.2%	N/A	5.8%

* Retail is reported twice a year.

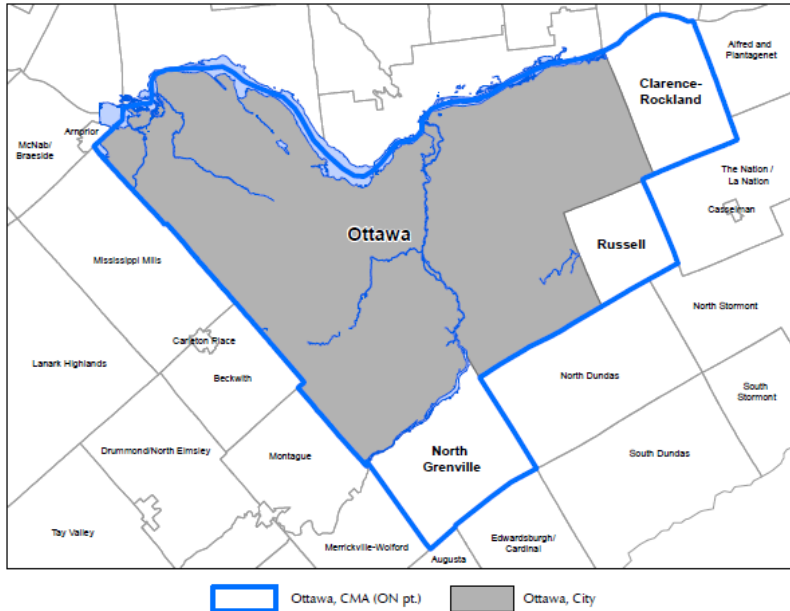
The retail vacancy information is not scheduled for release in Q1-2018, hence only the previous quarter and year-over-year is provided.

Regional Malls and Larger Power Centres (-0.1%) and the Downtown Core (-1.9%) experienced decreases in the vacancy rate in Q4 2017 from Q4 2016, while Community Malls and Smaller Power Centres (0.7%) and Neighbourhood Malls (0.6%) experienced increases in the vacancy rate. Out of the four different retail formats, the Downtown Core had the lowest vacancy with 3.0%.



Note:

Most of the indicators are based on two geographic boundaries depending on the source data. The applicable geography for each dataset is indicated on the top left corner of each table.



“Ottawa, City” represents the City of Ottawa;

“Ottawa CMA (ON pt.)” represents the Ontario portion of the Ottawa-Gatineau Census Metropolitan Area, which includes City of Ottawa, Township of Russell, City of Clarence-Rockland and the Municipality of North Grenville.