



Economic Development Update Q2 2018

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators to the city's economy. The Q2 2018 update covers the months of April, May, and June 2018. This report will be available on a quarterly basis on Ottawa.ca and via an [email subscription](#).

New and Noteworthy in Q3 2018: July, August, and September 2018

- **Amazon's new Fulfillment Centre in Ottawa:** In July 2018, Amazon announced plans for a new 1.02-million square foot fulfillment centre in Carlsbad Springs. The centre will create more than 600 full-time jobs when it comes to staff the centre and more than 1,500 construction jobs as the centre is being built. Construction of the new fulfillment centre commenced in August.
- **New Ottawa Board of Trade:** In August 2018, the Orleans Chamber of Commerce decided to join the consolidated Ottawa Board of Trade, which is made up of the Ottawa Chamber of Commerce and the West Ottawa Board of Trade. For more information on the new Ottawa Board of Trade, please visit www.OttawaBoT.ca.
- **Ottawa Airport Passenger Volume Jumps in July:** In July 2018, the Ottawa Airport Authority reported a jump in July's passenger volume compared to 2017. More than 446,000 passengers travelled through the Macdonald-Cartier International Airport, an increase of 8.7 per cent from the year before. Year-to-date passenger volumes also increased 4.4 per cent, with officials anticipating a record-breaking year for air travel through the region. For more information, please visit yow.ca.

What Happened in Q2 2018: April, May, and June 2018

- **Capital Build Task Force:** In May 2018, the Ottawa Chamber of Commerce officially unveiled the Capital Build Task Force. The task force is focused on five main city-building priorities: LeBreton Flats redevelopment; train line between Ottawa and Gatineau; Civic Hospital redevelopment; revitalized ByWard Market; and federal employment node in Orléans.
- **The Time Traveller:** In June 2018, the City of Ottawa's Archives released the new Time Traveller app, which covers significant events and milestones in Ottawa's history, from Confederation to today. Individuals can use the app in three ways: by using the interactive map and choose a story based on location; follow a chronological timeline; or teleport to a random story. The app can also utilize geo-mapping technology that allows the user to identify sites and stories near or around their current location. For more information on the Time Traveller, please visit Ottawa.ca.
- **Destination Development Fund:** The City of Ottawa and Ottawa Tourism have collaborated to create the Destination Development Fund, which will add new and innovative tourism experiences in the nation's capital. The fund, made possible by the new Municipal Accommodation Tax, will be used to support tourism entrepreneurs who are creating new attractions and events, and enhancing festivals to bring new visitors to the nation's capital. For more information on the Destination Development Fund, please visit Ottawa.ca.

Snapshot

	Q2-2017	Q1-2018	Q2-2018	Status Compared to Q2-2017
Employed Labour Force	547,500	552,600	562,100	Positive ✓
Unemployment Rate	5.7%	5.2%	4.2%	Positive ✓
Participation Rate	68.5%	67.7%	67.8%	Negative ✗
Housing Starts	1,519	893	1,935	Positive ✓
Average Resale Price	\$435,678	\$438,256	\$456,560	Positive ✓
Resale Units Sold	5,093	2,570	5,025	Neutral ○
Population	974,191	N/A	985,469	Positive ✓
Inflation	1.2%	2.2%	2.3%	Positive ✓
Average Weekly Earning	\$1,103	\$1,123	\$1,133	Positive ✓
Construction Permit Value	\$869,811	\$660,721	\$759,684	Negative ✗
Office Vacancy Rate	11.7%	10.4%	10.3%	Positive ✓
Retail Vacancy Rate	N//A	N//A	N//A	Neutral ○
Industrial Vacancy Rate	7.0%	5.3%	5.5%	Positive ✓

Please refer to individual tables below for more details.

Labour Force

Labour Force, Seasonally Adjusted, 3-Month Moving Average

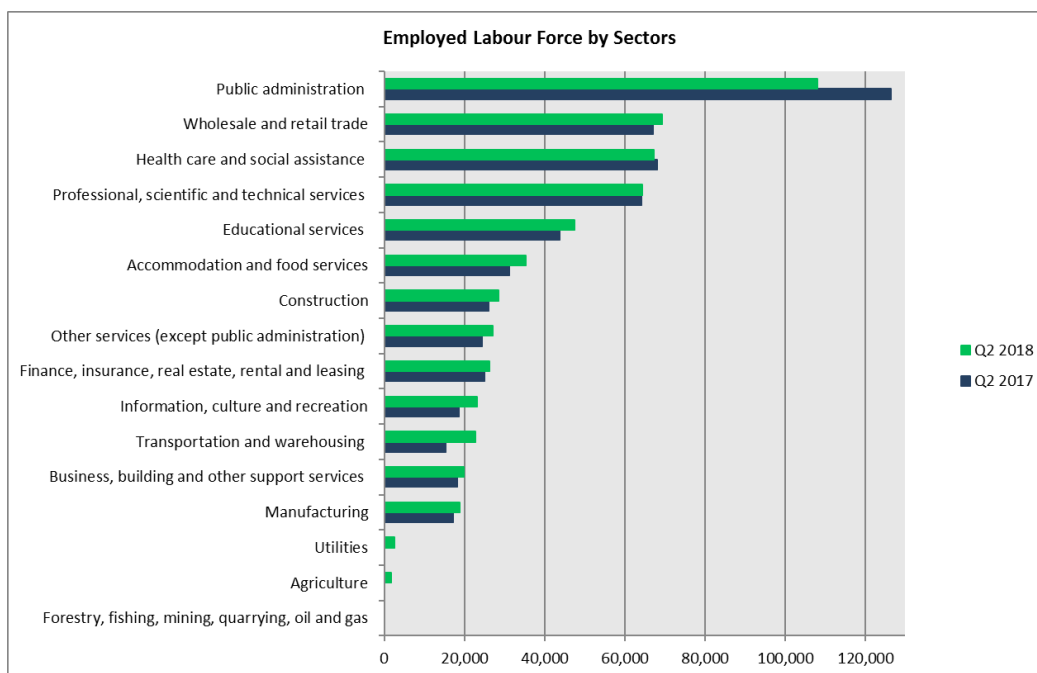
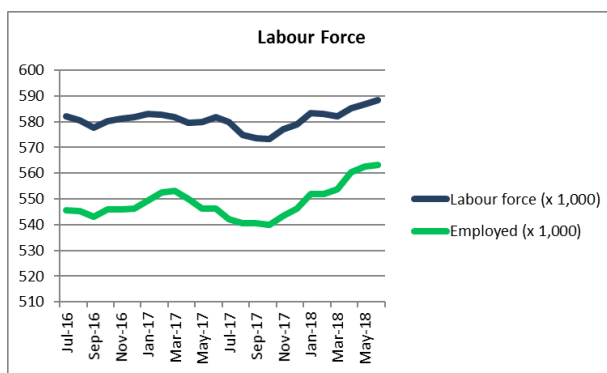
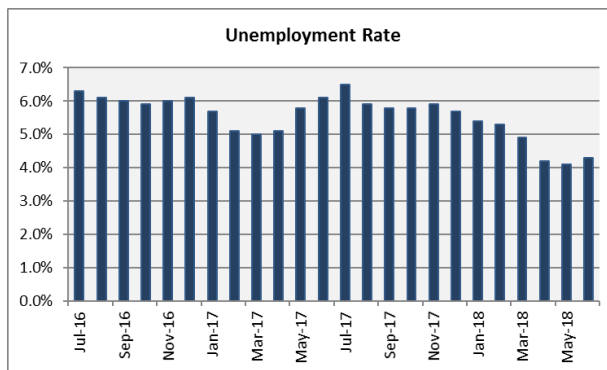
Source: Statistics Canada, Table 14-10-0294-01

Ottawa, CMA (ON pt.)	Q2-17	Q1-18	Q2-18
Labour Force*	580.4	582.8	586.8
Employed*	547.5	552.6	562.1
Unemployed*	32.9	30.3	24.7
Unemployment Rate	5.7%	5.2%	4.2%
Participation Rate	68.5%	67.7%	67.8%

*(x 1,000)

Employed residents (2.7%) and labour force (1.1%) both increased over the past year. The unemployment rate decreased 1.5% in Q2 2018 from Q2 2017. The Transportation and Warehousing and the Information, Culture and Recreation sectors both saw the largest increase in Q2 2018 from Q2 2017, with the Public Administration sector experiencing the largest decrease.

Ottawa, CMA (ON pt.)	YTD-17	YTD-18
Unemployment Rate	5.5%	4.7%
Participation Rate	68.8%	67.8%



Housing

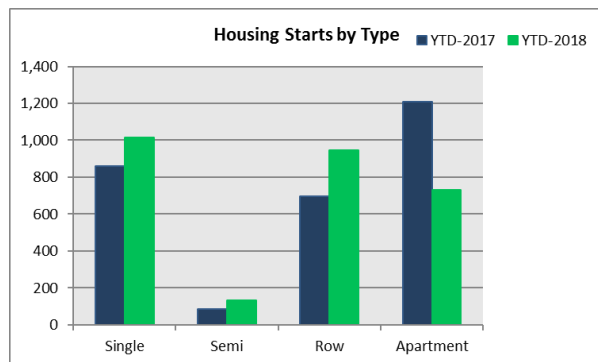
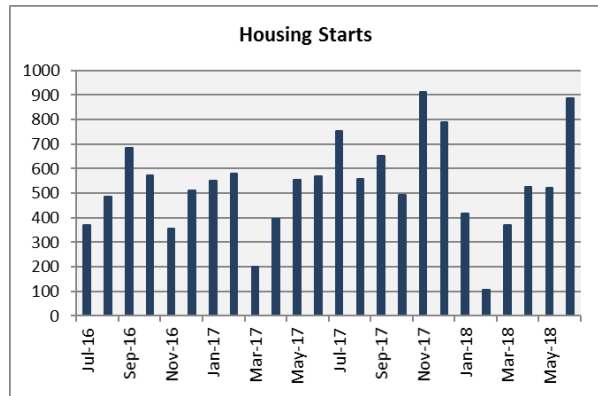
Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q2-17	Q1-18	Q2-18
Housing Starts	1,519	893	1,935
Single	554	331	684
Semi	49	66	66
Row	436	225	723
Apartment	480	271	462

Housing starts increased 27.4% in Q2 2018 from Q2 2017. Singles (23.5%), semis (34.7%), and row units (65.8%) all increased in Q2 2018 from Q2 2017, while apartments decreased 3.8%.

Ottawa, City	YTD-17	YTD-18
Housing Starts	2,850	2,828
Single	860	1,015
Semi	85	132
Row	695	948
Apartment	1,210	733



Housing Sales

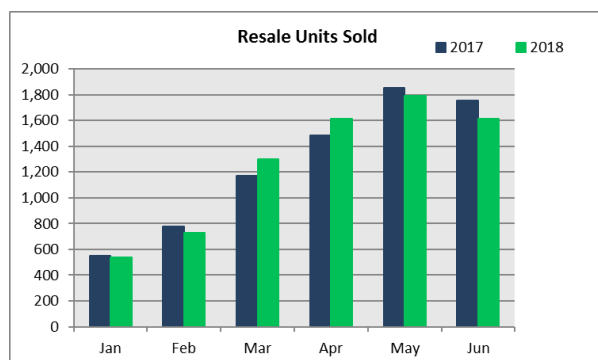
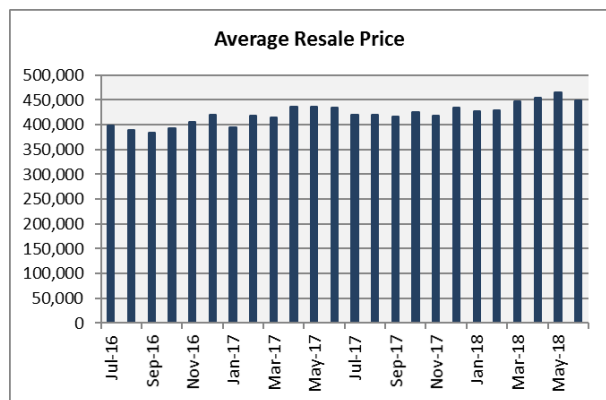
Source: Ottawa Real Estate Board

Ottawa, City*	Q1-17	Q1-18	Q2-18
Average Resale Price	\$435,678	\$438,256	\$456,560
Resale Units Sold	5,093	2,570	5,025

A total of 5,025 units were sold through the MLS system in Q2 2018, a 1.3% decrease from Q2 2017. The average resale price increased 4.8% to reach \$465,560 in Q2 2018 from the previous year.

Ottawa, City*	YTD-17	YTD-18
Average Resale Price	\$427,676	\$450,367
Resale Units Sold	7,589	7,595

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



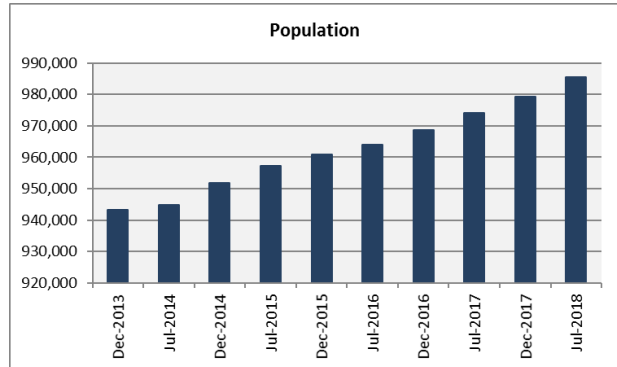
Population

Source: City of Ottawa estimate*

Ottawa, City	Q2-17	Q4-17	Q2-18
Population	974,191	979,173	985,469

*Population estimate reported twice a year

The City of Ottawa population increased by 1.2% over the past year to reach 985,469. Over the long term, the City's population is projected to reach the one million mark in 2019-2020.

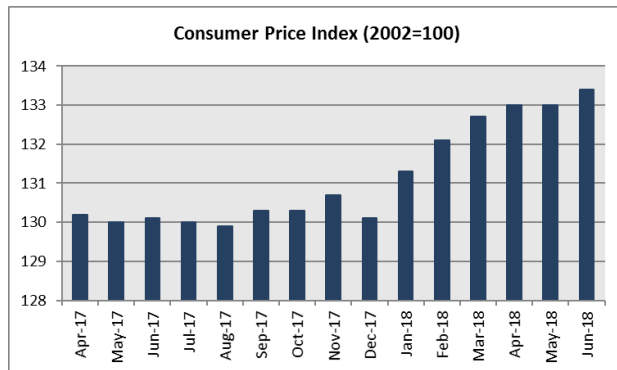


Consumer Price Index (2002=100)

Source: Statistics Canada, Table 18-10-0004-01

Ottawa, CMA (ON pt.)	Q2-17	Q1-18	Q2-18
Consumer Price Index	130.1	132.0	133.1
Inflation	1.2%	2.2%	2.3%

The Consumer Price Index saw a slight increase at 133.1 in Q2 2018, up 2.3% from Q2 2017. Inflation increased 0.1% from the previous quarter, and 1.1% from Q2 2017.

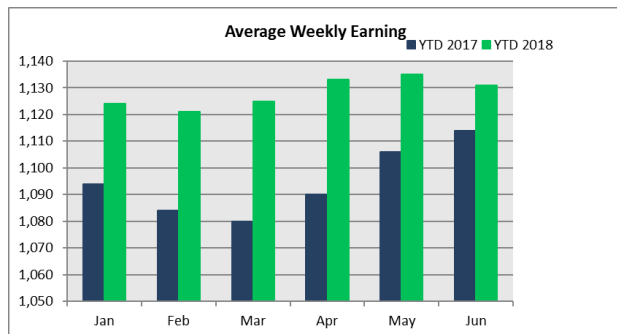


Average Weekly Earning

Source: CMHC Housing Now Report

Ottawa, CMA (ON pt.)	Q2-17	Q1-18	Q2-18
Avg. Weekly Earning	\$1,103	\$1,123	\$1,133

The average weekly earning increased 2.7% in Q2 2018 from Q2 2017. In comparison to the previous quarter, Q2 2018 had an increase of 0.9%.



Economy

Construction Permits, Seasonally Adjusted

Source: Statistics Canada, Table 34-10-0066-01

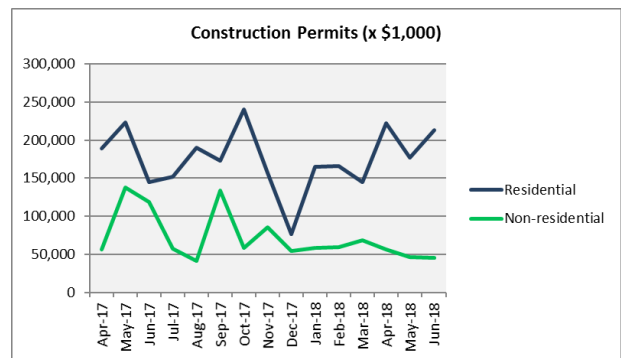
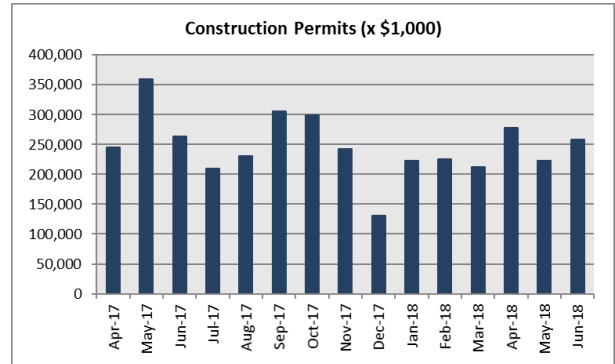
Ottawa, CMA (ON pt.)	Q2-17	Q1-18	Q2-18
Total Permits	\$869,811	\$660,721	\$759,684
Residential	\$557,324	\$474,674	\$612,326
Non-residential	\$312,487	\$186,047	\$147,358

(x \$1,000)

Total construction permits decreased by 12.7% in Q2 2018 from Q2 2017. Residential permits increased 9.9% while non-residential permits decreased 52.8%. Compared to the previous quarter, construction permits increased 15.0%, led by an increase of 29.0% in residential permits while non-residential permits decreased by 20.8%.

Ottawa, CMA (ON pt.)	YTD-17	YTD-18
Total Permits	\$1,366,373	\$1,420,405
Residential	\$896,908	\$1,087,000
Non-residential	\$469,465	\$333,405

(x \$1,000)

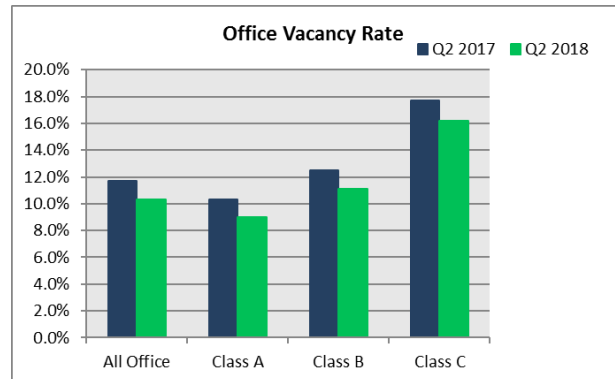


Office Vacancy Rate

Source: Colliers International, Ottawa Office Market Report

Ottawa, City	Q2-17	Q1-18	Q2-18
All Office	11.7%	10.4%	10.3%
Class A	10.3%	8.6%	9.0%
Class B	12.5%	12.0%	11.1%
Class C	17.7%	15.8%	16.2%

The City's office vacancy rate decreased 1.4% in Q2 2018 from Q2 2017. All building classes experienced a decrease in vacancy in Q2 2018 from Q2 2017.



Economy

Retail and Industrial Vacancy Rates*

Source: Cushman & Wakefield, Retail and Industrial Report

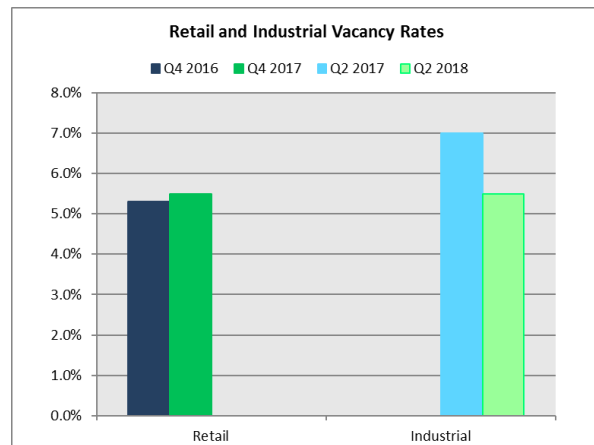
Ottawa, City	Q1-17	Q4-17	Q2-18
Retail Vacancy Rate	5.3%	5.5%	N/A

* Retail is reported twice a year.

Retail vacancy rate was not released for the second quarter as scheduled. At the end of 2017, the retail vacancy rate was 5.5%.

Ottawa, City	Q2-17	Q1-18	Q2-18
Ind. Vacancy Rate	7.0%	5.3%	5.5%

Industrial vacancy rate decreased 1.5% year-over-year, to sit at 5.5% in Q2 2018.



Retail Vacancy by Format*

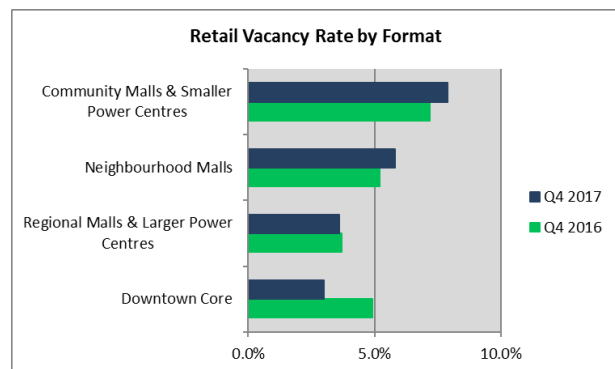
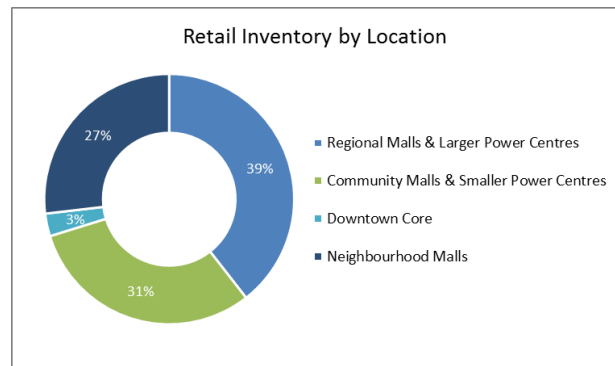
Source: Cushman & Wakefield, Retail and Industrial Report

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.

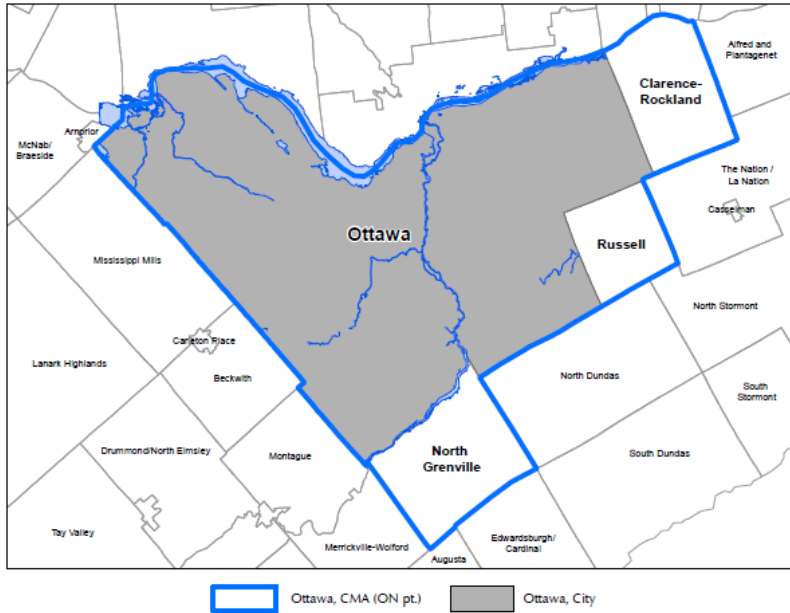
The retail vacancy information was not released for Q2 2018 as schedule, hence only the Q4 2017 and year-over-year is provided.

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 Smaler 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.