



Economic Development Update Q2 2019

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators to the city's economy. The Q2 2019 update covers the months of April, May, and June 2019. This report will be available on a quarterly basis on Ottawa.ca and via an [email subscription](#).

New and Noteworthy in Q3 2019: July, August, and September 2019

- **City of Ottawa named one of the best communities in Canada:** In August 2019, the city of Ottawa was named the third best community in Canada according to Maclean's. Maclean's gathered data on 415 communities across the country and compared them to find the best communities in Canada. Each place was ranked in 9 categories: wealth and economy, affordability, demographics, commute, crime, weather, health, amenities, and culture and community. Ottawa came third in the rankings following Burlington, On and Grimsby, On. For a full list of the rankings and the scores, visit [Maclean's website](#).
- **GoMedia Canada 2019 held in Ottawa:** In August 2019, Ottawa Tourism hosted a successful GoMedia Canada 2019, a travel media conference, which welcomes more than 300 Canadian travel industry professionals and international travel media to Ottawa. Hosted for the first time in Ottawa, GoMedia Canada 2019, provided the opportunity to show off the best of Ottawa to top travel media from around the world and across Canada. For more information on the event, please visit [Ottawa Tourism's website](#).
- **Ottawa's economic mission to the Netherlands:** Ottawa's economic mission to the Netherlands (September 15 – 20, 2019), led by Mayor Jim Watson and a delegation of 20 business and tourism leaders, forged partnerships and generated opportunities in tourism, technology, security and education. The resulting partnership agreements and strategic relationships developed between Ottawa organizations and their Dutch counterparts will generate long-term benefits in investment attraction, business development and trade.

The delegates from Ottawa included representatives from Invest Ottawa, Ottawa Tourism and local technology companies. During stops in The Hague, Eindhoven, Rotterdam and Amsterdam,

the delegation met with Dutch counterparts and stakeholders, signed partnership agreements advancing Ottawa's business and tourism interests, and built on the strong bonds of cooperation and friendship that Ottawa has shared with the Netherlands since the Second World War. The delegation focused on promoting Ottawa as a destination, facilitating business development and investment, and exchanging best practices with municipal and industry leaders. For more information about the economic mission, please visit the [City of Ottawa's website](#).

What Happened in Q2 2019: April, May, and June 2019

- **Invest Ottawa receives federal funding:** In April 2019, the federal government released the plans for the "Scale-up Platform" for tech companies. With this, Invest Ottawa received approximately \$17 million to develop and grow eastern Ontario tech firms over the next five years, with the goal of helping at least 10 of them achieve revenues of \$100 million or more. For more information, please visit [Invest Ottawa's website](#).
- **Montreal Road Community Improvement Plan launch:** In June 2019, Ottawa City Council enacted by-laws to create the Montreal Road Community Improvement Plan (CIP) zone along Montreal Road in Vanier and establish a financial incentive program to encourage commercial property owners in the zone to upgrade, replace or enlarge their buildings. The goal of the Montreal Road CIP is to stimulate private investment, urban renewal and property upgrades. The CIP provides financial incentives for eligible property owners within the designated area and: supports revitalization and improvements to the quality of the neighbourhood; Drives creation of new affordable housing; Encourages the development of new cultural assets; Supports businesses, including not-for-profit entities; and Contributes to making Vanier's main street an attractive and business-friendly environment. For more info, please visit [Ottawa.ca/MontrealRoadCIP](#)
- **City of Ottawa celebrates one million residents:** In June 2019, the City of Ottawa celebrated surpassing the one million population mark. This milestone puts Ottawa in a different league of big North American cities. This growth is good for the strength of Ottawa's local economy – one million is a critical mass in population that will allow Ottawa to generate more opportunities, both from a larger domestic market and increased investment from global stakeholders. For more information on this important milestone, please visit the [City of Ottawa's website](#).

Snapshot

	Q2-2018	Q1-2019	Q2-2019	Status Compared to Q2-2018
Employed Labour Force	562,100	561,200	566,200	Positive ✓
Unemployment Rate	4.2%	5.1%	5.5%	Negative ✗
Participation Rate	67.8%	67.1%	67.7%	Neutral ○
Housing Starts	1,871	1,106	1,723	Negative ✗
Average Resale Price	\$456,560	\$464,485	\$494,364	Positive ✓
Resale Units Sold	5,025	2,503	5,075	Neutral ○
Population	985,469	N/A	1,011,077	Positive ✓
Inflation	2.3%	1.7%	2.0%	Neutral ○
Average Weekly Earning	\$1,133	\$1,173	\$1,210	Positive ✓
Construction Permit Value	\$759,684	\$711,882	\$676,366	Negative ✗
Office Vacancy Rate	6.3%	5.3%	5.1%	Positive ✓
Retail Vacancy Rate	3.7%	3.6%	3.2%	Positive ✓
Industrial Vacancy Rate	2.7%	1.8%	1.7%	Positive ✓

Please refer to individual tables below for more details.

Labour Force

Labour Force, Seasonally Adjusted, 3-Month Moving Average

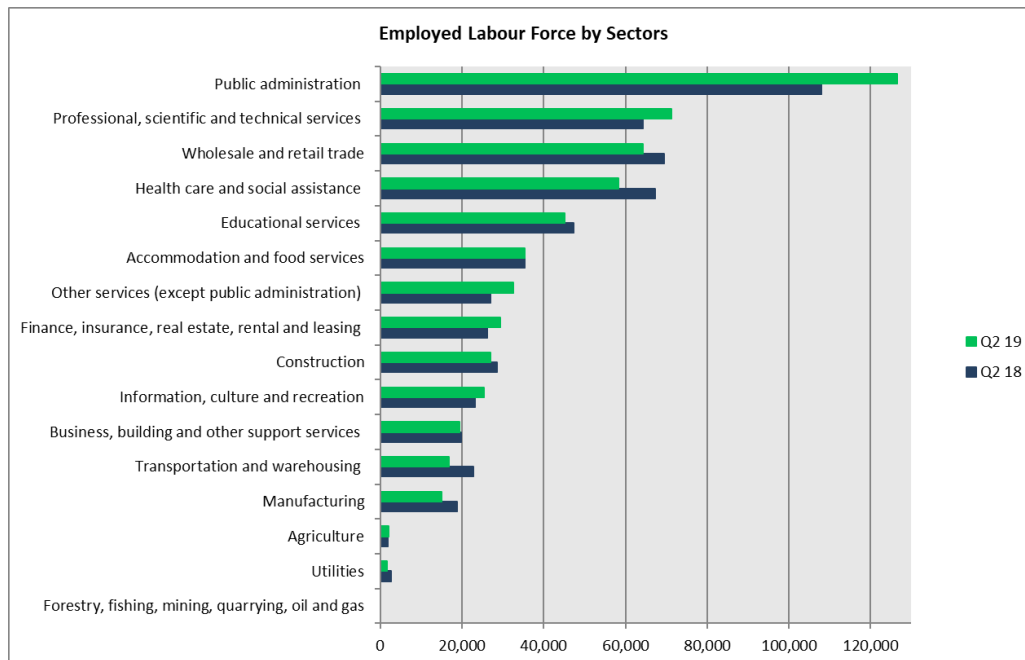
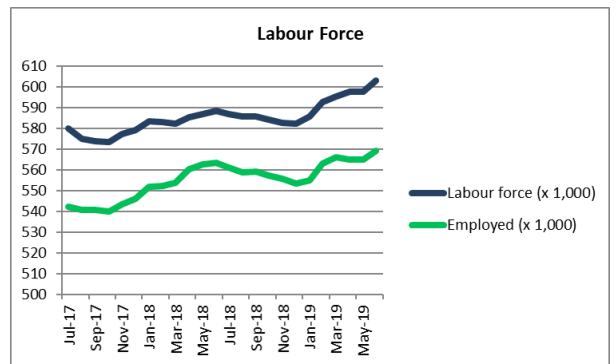
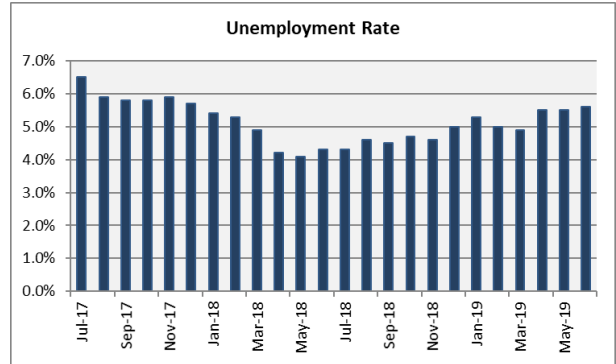
Source: Statistics Canada, Table 14-10-0294-01

Ottawa, CMA (ON pt.)	Q2-18	Q1-19	Q2-19
Labour Force*	586.8	591.2	599.2
Employed*	562.1	561.2	566.2
Unemployed*	24.7	30.0	33.0
Unemployment Rate	4.2%	5.1%	5.5%
Participation Rate	67.8%	67.1%	67.7%

*(x 1,000)

Labour force (2.1%) and employed residents (0.7%) both increased over the past year. The unemployment rate increased 1.3 percentage points in Q2 2019 from Q2 2018. The Other Services (except Public Administration), Public Administration, and the Agricultural sectors all saw the largest increase in Q2 2019 from Q2 2018, with Utilities, Transportation and Warehousing, and the Manufacturing sectors experiencing the largest decreases.

Ottawa, CMA (ON pt.)	YTD-18	YTD-19
Unemployment Rate	4.7%	5.3%
Participation Rate	67.8%	67.4%



Housing

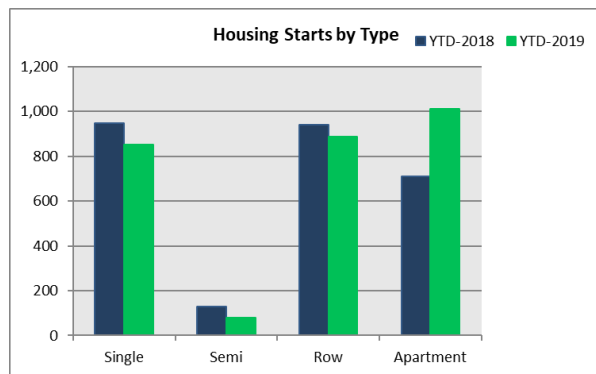
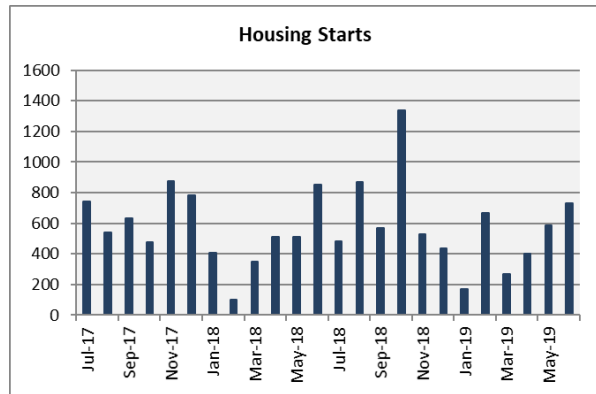
Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q2-18	Q1-19	Q2-19
Housing Starts	1,871	1,106	1,723
Single	646	269	582
Semi	66	32	48
Row	719	224	664
Apartment	440	581	429

Housing starts saw a decrease (7.9%) in Q2 2019 from Q2 2018. All unit types decreased with Apartments seeing the smallest decrease (2.5%) in starts and semi's seeing the largest decrease (27.3%).

Ottawa, City	YTD-18	YTD-19
Housing Starts	2,728	2,829
Single	948	851
Semi	128	80
Row	941	888
Apartment	711	1,010



Housing Sales

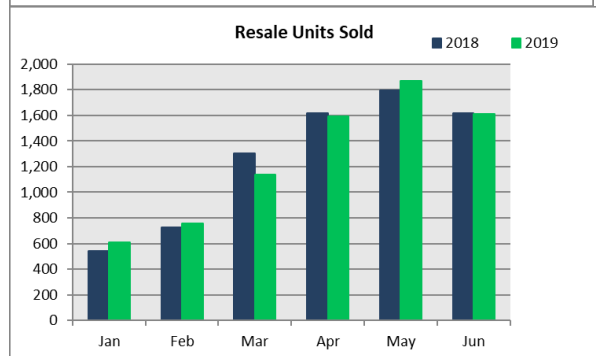
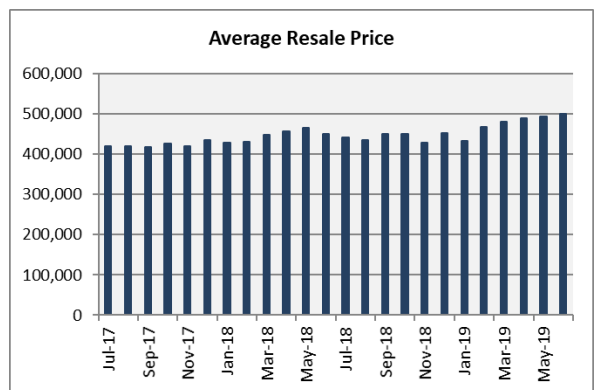
Source: Ottawa Real Estate Board

Ottawa, City*	Q2-18	Q1-19	Q2-19
Average Resale Price	\$456,560	\$464,485	\$494,364
Resale Units Sold	5,025	2,503	5,075

A total of 5,075 units were sold through the MLS system in Q2 2019, a 1.0% increase from Q2 2018. The average resale price increased 8.3% to reach \$494,364 in Q2 2019 from the previous year.

Ottawa, City*	YTD-18	YTD-19
Average Resale Price	\$450,367	\$484,495
Resale Units Sold	7,595	7,578

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



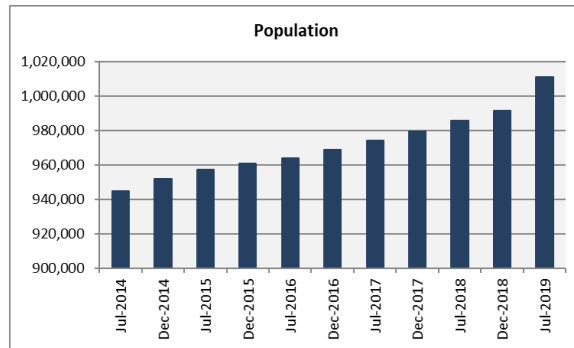
Population

Source: City of Ottawa estimate*

Ottawa, City	Q2-18	Q4-18	Q2-19
Population	985,469	991,429	1,011,077

*Population estimate reported twice a year

The City of Ottawa population increased by 2.6% over the past year to reach 1,011,077 at mid year 2019.

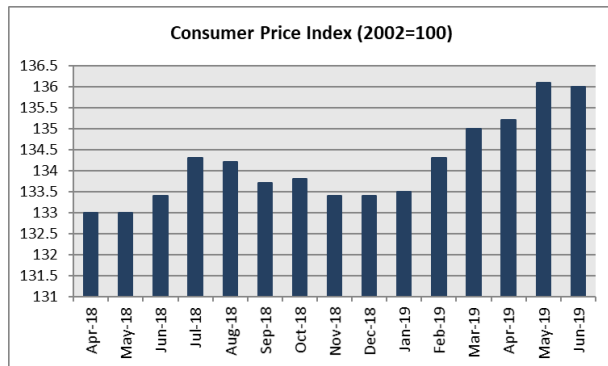


Consumer Price Index (2002=100)

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

Ottawa, CMA (ON pt.)	Q2-18	Q1-19	Q2-19
Consumer Price Index	133.1	134.3	135.8
Inflation	2.3%	1.7%	2.0%

The Consumer Price Index saw a slight increase at 135.8 in Q2 2019, up 2.0% from Q2 2018. Inflation increased 0.3 percentage points from the previous quarter and decreased 0.3 percentage points from Q2 2018.

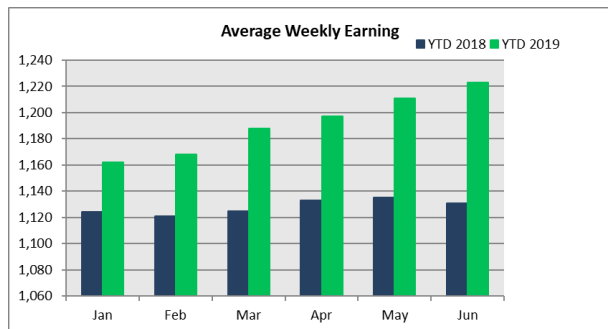


Average Weekly Earning

Source: CMHC Housing Now Report

Ottawa, CMA (ON pt.)	Q2-18	Q1-19	Q2-19
Avg. Weekly Earning	\$1,133	\$1,173	\$1,210

The average weekly earning increased 6.8% in Q2 2019 from Q2 2018. In comparison to the previous quarter, Q2 2019 had an increase of 3.0%.



Economy

Construction Permits, Seasonally Adjusted

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

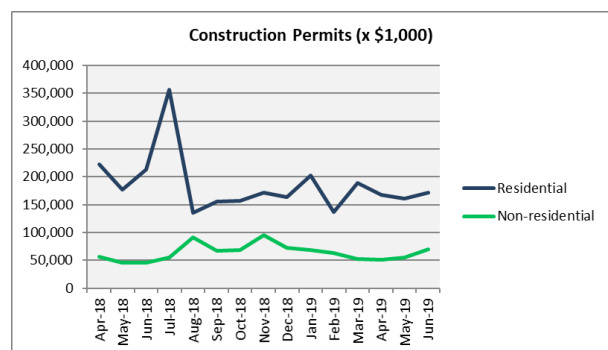
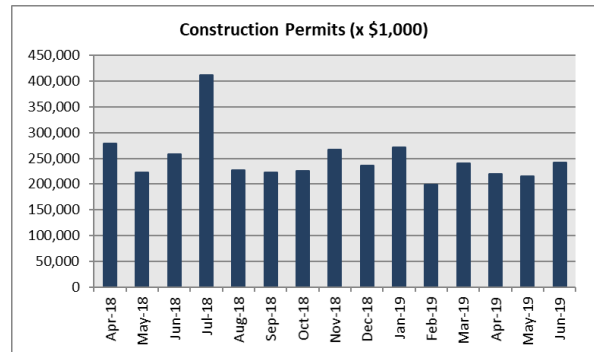
Ottawa, CMA (ON pt.)	Q2-18	Q1-19	Q2-19
Total Permits	\$759,684	\$711,882	\$676,366
Residential	\$612,326	\$527,709	\$499,973
Non-residential	\$147,358	\$184,174	\$176,394

(x \$1,000)

Total construction permits decreased by 10.9% in Q2 2019 from Q2 2018. Residential permits decreased 18.4% while non-residential permits increased 19.7%. Compared to the previous quarter, construction permits decreased 5.0%, led by a decrease of 5.3% in residential permits and 4.2% in non-residential permits.

Ottawa, CMA (ON pt.)	YTD-18	YTD-19
Total Permits	\$1,420,405	\$1,388,248
Residential	\$1,087,000	\$1,027,682
Non-residential	\$333,405	\$360,568

(x \$1,000)

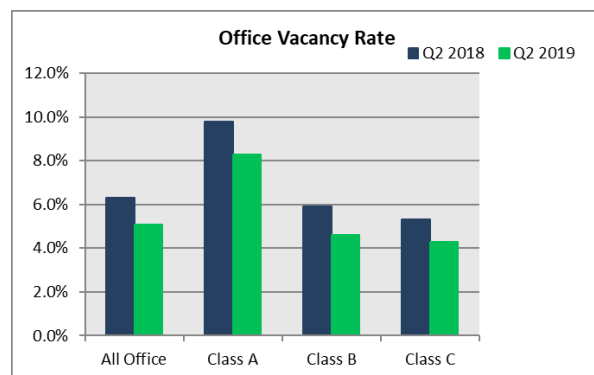


Office Vacancy Rate

Source: CoStar Realty Information Inc.

Ottawa, City	Q2-18	Q1-19	Q2-19
All Office	6.3%	5.3%	5.1%
Class A	9.8%	8.6%	8.3%
Class B	5.9%	4.8%	4.6%
Class C	5.3%	4.3%	4.3%

The City's office vacancy rate decreased 1.2 percentage points in Q2 2019 from Q2 2018. All buildings classes experienced a decrease in vacancy year-over-year, with Class A experiencing the largest decrease of 1.5 percentage points.



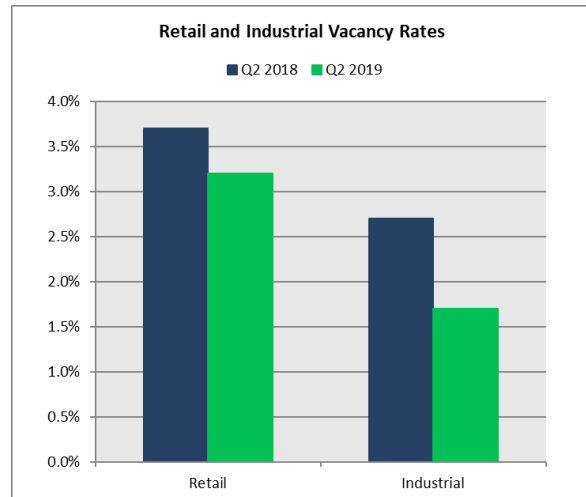
Economy

Retail and Industrial Vacancy Rates

Source: CoStar Realty Information Inc.

Ottawa, City	Q2-18	Q1-19	Q2-19
Retail Vacancy Rate	3.7%	3.6%	3.2%
Ind. Vacancy Rate	2.7%	1.8%	1.7%

Retail vacancy rate decreased 0.5 percentage points year-over-year, to sit at 3.2% in Q2 2019. From the previous quarter, the vacancy rate decreased 0.4 percentage points. The industrial vacancy rate decreased 1.0 percentage point year-over-year, to sit at 1.7% in Q2 2019, which is a 0.1 percentage point decrease from the previous quarter.

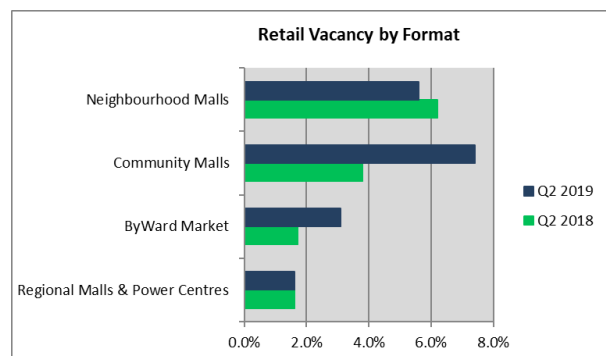
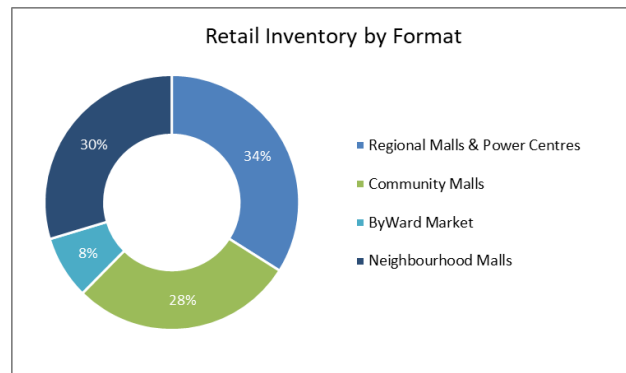


Retail Vacancy by Format

Source: CoStar Realty Information Inc.

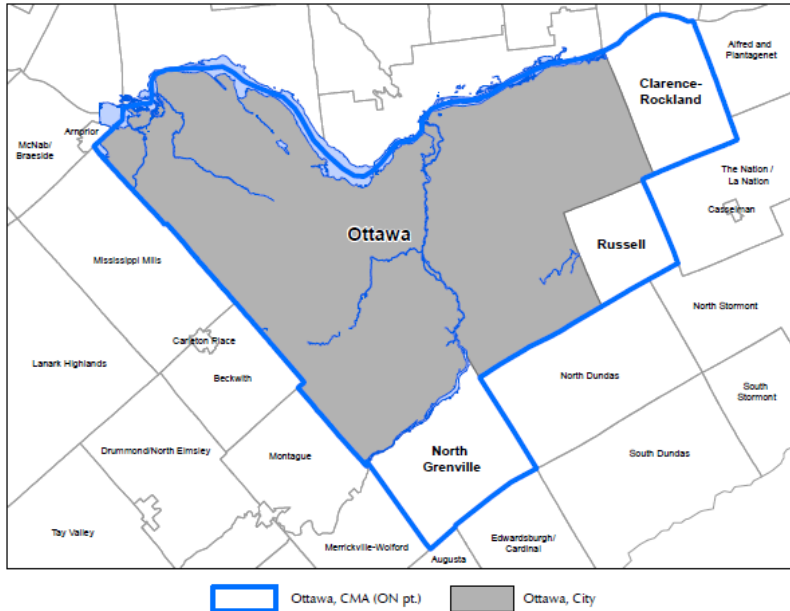
Ottawa, City	Q2-18	Q1-19	Q2-19
Regional Malls & Power Centres	1.6%	2.0%	1.6%
Community Malls	3.8%	7.2%	7.4%
ByWard Market	1.7%	3.6%	3.1%
Neighbourhood Malls	6.2%	5.1%	5.6%

All retail formats, except Neighbourhood Malls, experienced an increase in vacancy from Q2 2018 to Q2 2019. Community Malls experienced an increase of 3.6 percentage points year-over-year; the largest increase in vacancy. Neighbourhood Malls decreased 0.6 percentage points in vacancy year-over-year.



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.